Determining the Priority of Business Development Strategy for Kunir Jalak Business Unit SMK Muhammadiyah 1 Moyudan Sleman

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ABSTRACT

Background: Kunir Jalak business unit is part of UPJ Surya Boga belonging to the Catering Department at SMK Muhammadiyah 1 Moyudan, Sleman. This unit produces a powder drink made from turmeric, ginger, and temulawak. This drink is intended to maintain immunity, considering the Covid-19 pandemic. The Kunir Jalak business unit is relatively new, so it still needs assistance to develop its business. This community service activity aims to assist in determining business development strategies so that the Kunir Jalak business unit can be more developed.

Contribution: The impact of community service activities is shown by increasing partners' empowerment in identifying strengths, weaknesses, opportunities, and threats (SWOT) for the Kunir Jalak business unit and determining the alternative business development strategy, which has never been done before.

Method: The method used is Focus Group Discussion (FGD) to determine strengths, weaknesses, opportunities, and threats (SWOT) and determine business development strategies. Furthermore, the Analytical Hierarchy Process (AHP) approach determines strategic priorities.

Results: AHP analysis shows three business development strategies with the highest priority, namely: Weakness-Threats-1 (WT-1), Strength-Threats-1 (ST-1), and Weakness-Opportunity-2 (WO-2).

Conclusion: Following the objectives of the community service program, it means that the priority of business development strategies can be determined, which can be used as guidelines for developing the business unit of Kunir Jalak

INTRODUCTION

Kunir Jalak business unit is part of UPJ Surya Boga belonging to the Catering Department

at SMK Muhammadiyah 1 Moyudan, Sleman. As a vocational school, SMK Muhammadiyah 1 Moyudan is expected to have a production unit within the school. According to [1] and [2], production units or businesses within schools are business activities carried out by businesses and academics by empowering school residents and the environment with professional and sustainable management. Meanwhile, according to [3], a production unit will make it easier for students to get a place to practice for improving their skills, so this is in line with the demand that SMK graduates have good practical skills.

The Kunir Jalak business unit produces turmeric, ginger, and temulawak powder drinks. This business unit is still relatively new, established in June 2020. One of the reasons for establishing this business unit is the Covid-19 pandemic, causing public interest and demand for herbal drinks to increase. This reason is reinforced by statements in [4] and [5] that current market trends show that people are starting to return to consuming herbal products to maintain health.

Considering that the Kunir Jalak-business unit is still at the product introduction stage, an appropriate business strategy is needed to develop so that this business unit can win the market competition in the long run. For this reason, this business unit requires assistance in order to increase its business. This community service activity aims to assist in business development, primarily to determine business development strategies to grow the Kunir Jalak-business unit.

Business strategy formulation can be done by various methods, one of which is through SWOT (Strength-Weaknesses-Opportunity-Threat) analysis, a form of strategic planning through evaluations carried out on strengths, weaknesses, opportunities, and threats for the company [6,7]. The purpose of the SWOT analysis is to determine alternative strategies that are appropriate and suitable to be implemented [8]. SWOT consists of an analysis of the internal environment, which includes strengths and weaknesses, and an analysis of the external environment consisting of opportunities and threats in the business world [9].

Strength is a component in a business unit that can provide advantages in business development, while weaknesses are characteristics in a business unit that can provide obstacles in developing the business unit. Opportunities are the components that may be utilized by business units so that they can develop further, whereas threats are characteristics faced by business units that can hinder their development.

The Analytical Hierarchy Process (AHP) method can determine the priorities of various business development strategies. AHP is one method that can be used for decision-making based on specific criteria [10] and can produce a ratio scale from discrete or continuous comparisons that have a multiple-level hierarchical structure [11].

Broadly speaking, the stages in decisions-making using the AHP method include [11]:
1. making a hierarchy of decision criteria and alternatives
2. determining the value for each criterion and alternative, with pairwise comparisons between criteria and alternatives
3. determining the priority scale of each criterion and alternative,
4. determining the logical consistency of decision-making.

Based on interviews with teachers and management of the Kunir Jalak-business unit, they have never done a SWOT analysis. Thus, the condition of the strengths, weaknesses, opportunities, and threats of the Kunir Jalak-business unit has not been identified. For this reason, assistance is needed in SWOT identification, and then, based on a SWOT analysis, an appropriate business development strategy can be designed.

To that end, the objectives of this community service are:
1. Assist in identifying strengths, weaknesses, opportunities, and threats for the Kunir Jalak business unit

2. Assist in determining business development strategies based on SWOT analysis components
3. Analyze the priority of business development strategies using the AHP method

METHOD

This study was conducted in SMK Muhammadiyah 1 Moyudan, Special Region of Yogyakarta, Indonesia, where Kunir Jalak product is produced. This was part of the community service activities carried out at SMK Muhammadiyah 1 Moyudan, Indonesia, to develop its product. Kunir Jalak product is a potential herbal drink product to be marketed. Therefore, it is necessary to analyze and implement an appropriate business development strategy. Due to limited resources, a number of strategies that may be carried out need to be ranked so that the main business development strategy priorities are obtained. This study was carried out through following two stages::

SWOT analysis

SWOT analysis was used to determine the appropriate strategies to market the product through identifying the strength, weakness, opportunities, and threats from the product [8], [12] Strength is an internal factor whose characteristics provide advantages to a company, while weakness is also an internal factor whose characteristic is negative or cause losses for the company. Both opportunity and threat are external factors. Opportunity tends to support the success of company, while threat might cause problems or damage in the company [9] [13]. Focus Group Discussion was conducted with six people related to the management of Kunir Jalak business unit to identify strength, weakness, opportunity, and threat. After that, analysis was conducted to determine strategies according to strength, weakness, opportunity, and threat. They are Strength-Opportunity (SO) strategy to use strengths to take advantage of existing opportunities, Strength-Threat (ST) strategy to use strengths to overcome threats, Weakness-Opportunity (WO) strategy to minimize weakness to take advantage of existing opportunities, and Weakness-Threat (WT) strategy to minimize weakness to overcome threats..

AHP approach

The result of SWOT analysis was used as input in the Analytical Hierarchy Process (AHP) approach. AHP is a decision support model developed by Thomas L. Saaty. This decision support model will describe a complex multi-factor or multi-criteria problem into a hierarchy which is defined as a representation of a complex problem in a multi-level structure [14], [15]. This multi-criterion decision-making method uses the principle of pairwise comparison [10], [11].

AHP questionnaires were distributed to respondents, namely six employees of Kunir Jalak unit business. The questionnaire was pairwise comparison questionnaire related to business development strategies according to the result of SWOT analysis. After the six respondents completed the pairwise comparison questionnaire, then all respondents' answers were compiled using geometric mean as shown in Equation (1).

$$(\prod_{i=1}^{n} x_i)^{1/n} = \sqrt[n]{x_1 x_2 \dots x_n} \tag{1}$$

$\prod$ is geometric mean, n is number values, and x_i is values to average. The weight from each business development strategy from SWOT analysis will be calculated using AHP approach. Thus, the priority business development strategy can be implemented in Kunir Jalak business unit. Moreover, the calculation of Consistency Index (CI), as shown in Equation (2), is used to determine the Consistency Ratio (CI). λmax is obtained from the average of eigen value, while n is the size of pairwise comparison matrix.

$$CI = \frac{\lambda_{max} - n}{n-1} \tag{2}$$

Determining the Priority of Business Development Strategy for Kunir Jalak Business Unit, SMK Muhammadiyah 1 Moyudan, Sleman (Budijati et al)

83

Finally, Consistency Ratio (CR) using Equation (3) is needed to check whether the matrix of pairwise comparisons is consistent or not, where RI is Random Index determined based on the size of pairwise comparison matrix.

$$CR = \frac{CI}{RI}$$ (3)

RESULTS AND DISCUSSION

SWOT Analysis

FGD to identify strength, weakness, opportunity, and threat was held on Tuesday June 8, 2021. This meeting was attended by the community service team and six people related to the management of Kunir Jalak unit business, comprising teachers in SMK Muhammadiyah 1 Moyudan, Indonesia, and production staff. Dr. Siti Mahsanah Budijati, S.T.P., M.T. as the leader of community service team, guided the discussion. The result of SWOT analysis based on FGD is shown in Table 1. After identifying each component of SWOT analysis, then discussion was also conducted to determine SO strategy, WO strategy, ST strategy, and WT strategy. The discussion to determine ST, SO, WO, and WT strategy was held on Saturday July 17, 2021, through Zoom meeting.

Table 1. SWOT analysis matrix

Internal Factor / External Factor	Strength:	Weakness:
	1. Strategic location 2. Complete types of production equipment 3. Easy access to raw materials 4. Capital management is quite good 5. Unique product composition 6. Already have a Home Industry Food, Production Certificate Policy (SPP-PIRT) 7. Currently in the process of applying halal certification 8. Already member of Integrated Business Service Center Sleman 9. Already have its own supplier	1. Limited production capacities according to the number of workers and production equipment 2. The production process is conducted manually 3. Lack of expertise for the workers in cooking section 4. Lack of marketing area 5. Standard Operating Procedure, Vision, and Mission are not yet available 6. There is no standardization of product selling prices by resellers
Opportunity: 1. Many supermarkets are available around the school 2. The Covid-19 pandemic increases the consumption of herbs in the community 3. Availability of a broad online market 4. People are starting to lead a healthy lifestyle 5. Allows to become the flagship product of Moyudan 6. Allows for product diversification 7. Possible to apply for a product patent	SO-1. Maximizing strategic locations and shops around the school as a place to market products SO-2. Unique product composition with halal certification, strategic location, easy access to raw materials, and supported by good capital management to encourage Kunir Jalak to become Moyudan's flagship product SO-3. The product composition is unique and has been	WO-1. Less widespread marketing can be overcome by utilizing supermarkets around the school and online markets, supported by standardization of product selling prices by resellers WO-2. Standard Operating Procedure, Vision, and Mission are needed to support the realization of Moyudan's flagship products and the filing of product patent

	completed by Home Industry Food, Production Certificate Policy (SPP-PIRT) and halal certification, supported by the ease of obtaining raw materials and good capital management, as well as being a member of PLUT used to encourage online marketing SO-4. Unique product composition supported by good capital management as an opportunity to apply for a patent SO-5. Unique product composition and already completed by Home Industry Food, Production Certificate Policy (SPP-PIRT), as well as the process of applying for halal certification as marketing support at local supermarkets SO-6. Utilization of its own suppliers when there is an increase in demand from supermarkets and online markets	
Threat: Many similar competitors	ST-1. Maintaining a unique product composition to beat the competition	WT-1. Setting a standard competitive product selling price to beat the competition

According to Table 1, there were 10 business development strategies consisting of six SO strategies, two WO strategies, and one ST strategy and WT strategy. Based on these results, the AHP comparison matrix questionnaire was compiled to analyze the order of priority business development strategies for Kunir Jalak product.

AHP Approach

The AHP pairwise comparison questionnaires contained assessment of the ten strategies distributed to six respondents. The pairwise comparison matrix shows the comparison value between the two strategies. All respondents' answers are compiled and calculated using geomean, as shown in Equation (1). The summary of the geomean matrix from all respondents is shown in Table 2. After that, data normalization was conducted to find out the weight for each

Determining the Priority of Business Development Strategy for Kunir Jalak Business Unit, SMK Muhammadiyah 1 Moyudan, Sleman (Budijati et al)

85

strategy according to all respondents, as shown in Table 3. Data normalization aims to conduct aggregation of factor with numerical and comparable data [16].

According to Equation (2), the CI obtained was 0.0765, with λmax=10.69 and n=10. Finally, CR was checked to ensure that the pairwise comparison is consistent to be used. The model is declared acceptable if CR < 0.1 or 10%. CR was calculated using Equation (3), with CI value of 0.0765. RI is obtained from the provision of the value based on the size of the pairwise comparison matrix. RI with a matrix size of 10x10 is 1.51. Finally, CR of 0.05 was obtained. CR 0.05 < 0.1 shows that the pairwise comparison matrix is consistent and acceptable, so that there is no need to revise the model.

Table 2. Geomean Matrix From All Respondents

	SO 1	SO 2	SO 3	SO 4	SO 5	SO 6	WO 1	WO 2	ST 1	WT 1
SO 1	1.000	0.471	0.471	0.481	0.471	0.481	0.471	0.481	0.481	0.481
SO 2	2.121	1.000	0.471	0.471	0.471	0.471	0.471	0.471	0.481	0.481
SO 3	2.121	2.121	1.000	0.471	0.471	0.471	0.471	0.471	0.490	0.481
SO 4	2.080	2.121	2.121	1.000	0.471	0.471	0.471	0.481	0.490	0.471
SO 5	2.121	2.121	2.121	2.121	1.000	0.471	0.481	0.481	0.490	0.471
SO 6	2.080	2.121	2.121	2.121	2.121	1.000	0.481	0.481	0.490	0.471
WO 1	2.121	2.121	2.121	2.121	2.080	2.080	1.000	0.481	0.481	0.471
WO 2	2.080	2.121	2.121	2.080	2.080	2.080	2.080	1.000	0.481	0.471
ST 1	2.080	2.080	2.040	2.040	2.040	2.040	2.080	2.080	1.000	0.471
WT 1	2.080	2.080	2.080	2.121	2.121	2.121	2.121	2.121	2.121	1.000

Table 3. Data normalization and eigen value of AHP apprach

	Data Normalization										Normalized Weight	Eigen value (λ_i)
SO 1	0.05	0.03	0.03	0.03	0.04	0.04	0.05	0.06	0.07	0.09	0.05	10.57
SO 2	0.11	0.05	0.03	0.03	0.04	0.04	0.05	0.06	0.07	0.09	0.06	10.44
SO 3	0.11	0.12	0.06	0.03	0.04	0.04	0.05	0.06	0.07	0.09	0.07	10.44
SO 4	0.11	0.12	0.13	0.07	0.04	0.04	0.05	0.06	0.07	0.09	0.08	10.52
SO 5	0.11	0.12	0.13	0.14	0.08	0.04	0.05	0.06	0.07	0.09	0.09	10.64
SO 6	0.11	0.12	0.13	0.14	0.16	0.09	0.05	0.06	0.07	0.09	0.10	10.77
WO 1	0.11	0.12	0.13	0.14	0.16	0.18	0.10	0.06	0.07	0.09	0.11	10.87
WO 2	0.11	0.12	0.13	0.14	0.16	0.18	0.21	0.12	0.07	0.09	0.13	10.93
ST 1	0.11	0.11	0.12	0.14	0.15	0.18	0.21	0.24	0.14	0.09	0.15	10.92
WT 1	0.11	0.11	0.13	0.14	0.16	0.18	0.21	0.25	0.30	0.19	0.18	10.79
Total	1	1	1	1	1	1	1	1	1	1	1	λ_{max}=10.69

The result for the weight of each strategy is shown in Figure 1. The ordering of strategies

that need to be prioritized to be implemented for Kunir Jalak product are WT-1, ST-2, WO-2, WO-1, SO-6, SO-5, SO-4, SO-3, SO-2, and SO-1. The largest weight is on WT-1 by 0.18 or 18%, while the lowest weight is SO-1.
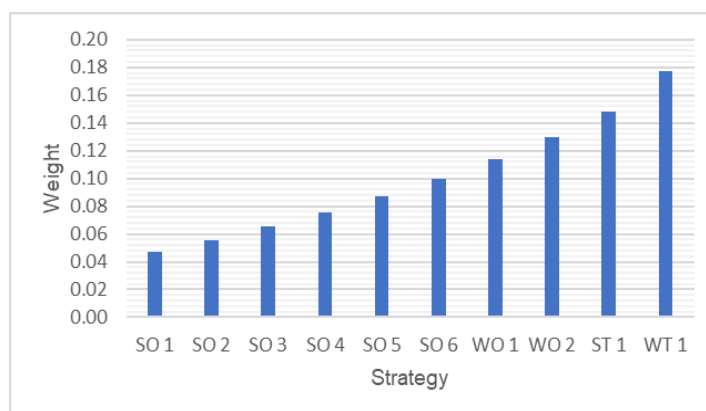
Figure 1. The weight of each strategy

WT-1 strategy is setting a standard competitive product selling price to beat the competition. Most consumers make product purchases due to price [17], [18]. Setting product selling price competitively is such a product pricing strategy [19][20]. This can be conducted by benchmarking against similar competitors. It aims to win the market competition. Unfortunately, many marketing channels of Kunir Jalak product cause the selling price to be different for each seller. For example, the selling price in Supermarket A is Rp. 12,000, the selling price in reseller X is Rp. 10,000, and the selling price in reseller Y is Rp. 13,000. As a result, there is no standardization of the product selling price. Currently, producers cannot control the prices circulating in the market because there are no rules made regarding this. Therefore, it would be needed to create a regulation or Standard Operating Procedure (SOP) about the highest retail price for Kunir Jalak product. This would be conducted for the future community service. Meanwhile, the second largest weight is ST-1. This is maintaining a unique product composition to beat the competition. Kunir Jalak product is a herbal powder drink containing turmeric, ginger, and temulawak. This unique composition is a component of competitive advantage that needs to be maintained.

CONCLUSION

The existence of the Kunir Jalak business unit provides benefits for schools and students in providing facilities for student work practices. Thus, it is hoped that the graduates of SMK Muhammadiyah 1 Moyudan, especially from the culinary department, will have good skill competencies. However, the very young age of Kunir Jalak's business unit requires a business development strategy so that this business unit can develop. As a first step, it is necessary to identify the strengths, weaknesses, opportunities, and threats owned and faced by the Kunir Jalak business unit. This community service activity is intended to facilitate FGD activities and assist in analyzing the components of the strengths, weaknesses, opportunities, and threats (SWOT) of the Kunir Jalak business unit. Furthermore, from the SWOT analysis results, alternative business development strategies are determined. The next stage is the analysis of business development strategy priorities with the AHP approach. AHP analysis shows three business development strategies with the highest priority, namely: Weakness-Threats-1 (WT-

Determining the Priority of Business Development Strategy for Kunir Jalak Business Unit, SMK Muhammadiyah 1 Moyudan, Sleman (Budijati et al)

87

1), Strength-Threats-1 (S-1T), and Weakness-Opportunity-2 (WO-2). This result can be used as guidelines for developing the business unit of Kunir Jalak

Acknowledgement

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