

STRATEGY FORMULATING BASED ON CRITICAL SUCCESS FACTORS
IN MUTIARA BAKERY MSMEs

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Abstract:

Mutiara Bakery is a UMKM that produces and markets bread. Currently, only 2 (two) stores are operating. CPM is an appropriate strategic management tool in identifying the strengths and weaknesses of the main competitors in relation to the strategic position of the products or services offered. This research aims to strategy formulating based on critical success factors in Mutiara bakery MSMEs. The basic method used in this research is the descriptive-analytical method. The technical implementation of this research is carried out using a survey technique, namely the method of collecting data from a number of units or individuals at the same time (or period). The results showed that Mutiara Bakery SMEs needed. The proposed marketing strategy can be divided into 2 groups, short-term and long-term. The short term can be done now, while the long term is done after waiting for capital input. Strategies that can be carried out by MSME Mutiara Bakery can now be seen as follows: 1. Creating new, more attractive packaging designs 2. Sales are made online using Facebook, Instagram, and WhatsApp.

Keywords: CPM matrix, marketing strategy, MSME Mutiara Bakery

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INTRODUCTION

The business world can never be separated from competition. The amount of uniformity in the products available in the market, makes consumers faced with many purchasing choices. Product uniformity and price differences that are not too large cause the company to be in a position of intense competition. In the competition, it is very important to know the position of our products in the industry. This knowledge can be obtained through environmental analysis (internal and external) of the company. The problem that is quite complicated in analyzing the competitive environment in the market is the mechanism that is not easy to obtain this information, especially for new companies or small companies. The ability to provide data from only internal and external factors may be easily fulfilled.

Mutiara Bakery is a UMKM that produces and markets bread. This business has been established in 2010. Prior to the COVID-19 pandemic, this business had 5 (five) shops spread across the cities of Mojokerto and Jombang. Daily sales turnover of 5 (five) stores can reach IDR 5,000,000/day. The location of 4 (four) shops is on the edge of the highway and 1 (one) shop is attached to a residential house in the alley. Mutiara Bakery produces a variety of breads, including plain bread, and sweet bread filled with various flavors (including cheese, chocolate, various kinds of jam and nuts. In addition to all the shops are the same, there are also donuts and pizza. The price of bread varies between Rp 3,500 - Rp 11,000. Party and retail sales system, each store also serves orders. Currently only 2 (stores) bakeries are still operating. Total workforce and 5 owners. Every day in this new normal life, Mutiara Bakery can only sell approximately 100 (one hundred) pieces of bread for its 2 (two) shops. The decline in demand was exacerbated by the number of new competitors, namely pop-up cake vendors on the roadside who not only sold bread but also cakes. To increase sales, apart from accepting orders for bread, Mutiara Bakery also markets it through Instagram. Facing such situations and conditions, in order to optimize sales and market opportunities, an effective way is needed in terms of bread marketing.

Based on the description above, this research aims to: 1) Knowing the important success factors in Mutiara Bakery marketing 2) Knowing strategic factors in Mutiara Bakery marketing, 3) Formulating alternative strategies that can be applied in Mutiara Bakery marketing 4) Determining strategic priorities that can be applied in the marketing of Mutiara Bakery.

METHODS

The basic method used in this research is descriptive analytical method. The data collected was first compiled, explained and then analyzed (Soeratno and Arsyad, 1995; Surakhmad, 1998). The technical implementation of this research is carried out using a survey technique, namely the method of collecting data from a number of units or individuals at the same time (or period). This research was conducted in both stores.

Respondent Determination Method:

- a. Determination of Respondents for Determination of Important Success Factors
- b. Determination of Respondents for Determination of Weights and Ranks in the Competitive Profile Matrix.
- c. Determination of Respondents for Determination of Weights and Ranks in the Competitive Profile Matrix.

The research was conducted on the UMKM Mutiara Bakery which is located on Jl. Pisang RT 03 RW 05, Mojokerto City, East Java. The research began on October 5, 2021, by conducting initial interviews with the business owner, Mrs. Dewi. Besides Mrs. Dewi, interviews were also conducted with Mrs. Nur as an employee of the finance department. This interview aims to find out the current condition of MSME Mutiara Bakery and the problems they are currently facing. The next step is to fill in the blind test questionnaire by the respondents. The selected respondents are respondents who buy bread at least once a week or more. The next step is filling out the questionnaire to find the weight of the CPM.

In this research, the first thing to do is to identify the problems that occur in MSME Mutiara Bakery. The data collected is primary data and secondary data. Next, analyze external factors and internal factors. From internal factors and external factors and continued by determining opportunities, threats, strengths and weaknesses. The IFE matrix was made based on the results of the weighting of interviews conducted with Ms. Dewi as the owner of MSME Mutiara Bakery and Mrs. Nur as an employee of the finance department. The interviews related to the strengths and weaknesses of MSME Mutiara Bakery. Similar to the IFE matrix, the EFE matrix was made with references from David (2009) which was adapted to the conditions of Mutiara Bakery's UMKM. The weighting of the EFE matrix is obtained from the results of questionnaires to consumers along with interviews with cake traders.

One of the strategic management tools that can help management to investigate and map the position of the main competitors compared to their company through the critical success factors needed is the Competitive Profile Matrix (CPM). CPM is an appropriate strategic management tool in identifying the strengths and weaknesses of the main competitors in relation to the strategic position of the products or services offered. This analysis tool is used at the input stage. CPM shows a clear picture of the relative strong points and weak points of a product or service against competitors. CPM assessment is measured based on the critical success factors that consumers pay attention to.

The CPM matrix (Competitive Profile Matrix) is an approach to determine the relative strengths and weaknesses of a company against its competitors on product, place, promotion, and price variables (Harisudin, 2011; Lukito, Lianto, & Surjani, 2013; Marcos, 2011). 2014). To perform analysis on this matrix, first, determine the value of weights and ratings to be able to find out the strengths and weaknesses of the company. The weight value is obtained based on the results of a questionnaire filled out by consumers at random, while the rating value is determined based on the results of a blind test that has been carried out. The success of a business is not an accident but the result of the formulation of an effective strategy. An effective strategy begins with the

company's ability to understand and deal with its internal and external environment properly and appropriately. Based on a proper analysis of the internal and external environment, a selective and appropriate strategy formulation can be formulated. Success is the product of continuous sensitivity to constantly changing external and internal conditions as well as intelligent formulation and application and adaptation to various conditions (David, 2011). Therefore, Mutiara Bakery needs to formulate its marketing strategy in order to implement a marketing strategy that is more adaptive and relevant to its micro and macro environment. Thus, an analysis of the internal and external environment is very important. Analysis of the internal environment includes the company's strengths and weaknesses. While the analysis of the external environment includes opportunities and threats and can be related to trends and phenomena of economic, socio-cultural, demographic, environmental, political, legal, government, technology and competitive conditions (David, 2011). The entire evaluation of the internal and external environment is referred to as a SWOT Analysis (Kotler & Keller, 2016). The competitive Profile Matrix (CPM) is used to determine the competitive position of a company in the industry (David, 2011). law, government, technology and competitive conditions (David, 2011). The entire evaluation of the internal and external environment is referred to as a SWOT Analysis (Kotler & Keller, 2016). The competitive Profile Matrix (CPM) is used to determine the competitive position of a company in the industry (David, 2011). law, government, technology and competitive conditions (David, 2011). The entire evaluation of the internal and external environment is referred to as a SWOT Analysis (Kotler & Keller, 2016). Competitive Profile Matrix (CPM) is used to determine the competitive position of a company in the industry (David, 2011).

To find out the variation of important success factors in the marketing of Mutiara Bakery Durian, the Competitive Profile Matrix developed by David (2009) was used which was adapted to Harisudin (2011)'s approach. The analytical tool used in formulating alternative strategies is the SWOT Matrix. Strategy determination was analyzed using the Quantitative Strategic Planning Matrix (QSPM) developed by David and David (2009).

From these sources, the elements of opportunities and threats for MSME Mutiara Bakery were obtained. The IE matrix is made based on the score results from the IFE matrix and the EFE matrix. The results of scores and ratings from the IFE matrix and the EFE matrix will be combined using the IE matrix to determine the Mutiara Bakery MSME area whether it is in a growth and build, hold and maintain or harvest and divest position. The SWOT matrix is determined based on the results of the analysis of internal factors and external factors. Then arranged SO, WO, ST, WT based on the position of the IE matrix. From the strategies obtained, several alternative strategies will be arranged using the SWOT matrix. Alternative strategies are formulated using the SWOT matrix by taking into account the strategy results obtained in the IE matrix. The blind test was carried out to find out the advantages and disadvantages of Mutiara Bakery's UMKM products against similar competitors, namely impromptu traders. The choice of competitors is because they also sell the same type of bread, namely jam sandwiches, donuts and pizza. A blind test questionnaire was given to prospective consumers who bought bread at MSME Mutiara Bakery to determine the response of potential consumers to the Mutiara Bakery bread product. This blind test becomes CPM input by taking the weight value from the blind test results. The weighting is similar to the EFE matrix, but there are rankings and total scores from competitors obtained from the results of the blind test. This blind test becomes CPM input by taking the weight value from the blind test results. The weighting is similar to the EFE matrix, but there are rankings and total scores from competitors obtained from the results of the blind test. This blind test becomes CPM input by taking the weight value from the blind test results. The weighting is similar to the EFE matrix, but there are rankings and total scores from competitors obtained from the results of the blind test.

RESULT AND DISCUSSION

MSME Mutiara Bakery is a home industry MSME that produces various sweet breads starting in 2010. MSME Mutiara Bakery is led by Ms. Dewi as the owner of the business which is located on Jl. Banana RT 03 RW 05 Mojokerto City. The types of sweet bread produced by MSME Mutiara Bakery are sweet breads of various contents, plain bread, donuts and pizza. MSME Mutiara Bakery does not have an organizational structure. All activities in the central store and branches are coordinated by the owner. The number of employees at MSME Mutiara Bakery is 6 (six) people with details of 4 (four) people at the central store and 2 (two) people at branch stores. During the covid-19 pandemic, the highest turnover obtained by MSME Mutiara Bakery was IDR 400,000. The results of the data that have been obtained can then be processed data. Data processing is carried out in several stages.

Input Stage (Input Stage).

The input stage consists of an Internal Factor Evaluation Matrix (IFE) and an External Factor Evaluation Matrix (EFE). The Internal Factor Evaluation Matrix (IFE) was obtained by calculating the weights and ratings for internal factors based on interviews filled out by Ibu Dewi (ID) and Ibu Nur (IN) (table 1). The next step is to analyze the IFE matrix (Table 2). The External Factor Evaluation Matrix (EFE) was obtained by calculating the weight and rating for external factors based on a questionnaire filled out by Ibu Dewi (ID) and Ibu Nur (IN).

Matching Stage.

Based on the data and calculation results obtained at the input stage, then proceed to the matching stage. The matching stage is used Internal-External Matrix (IE Matrix) and SWOT Matrix (Strengths-Weaknesses-Opportunities-Threats). From the results of the Internal - External Matrix (IE) assessment for MSME Mutiara Bakery, the IEE and IFE scores indicate a moderate position in quadrant 5 (Figure 1). The result of the IE matrix as the basis for the creation of the SWOT Matrix.

Blind Test.

This blind test aims to find out the response of potential consumers to sweet bread when compared to sweet bread products that are already on the market, in this case the sweet bread used as a comparison for MSME Mutiara Bakery's sweet bread is Blora Bakery sweet bread, pandan bread with jam filling. The questions from the blind test were used based on the results of interviews with consumers and the UMKM Mutiara Bakery to determine what factors could determine the quality, packaging, labels, and logos of sweet bread products.

Competitive Profile Matrix (CPM).

Competitive Profile Matrix (CPM) is used to determine the weights and ratings that are used as the basis for determining the strengths and weaknesses of a business. The weight and rating values are obtained based on the results of questionnaires filled out by consumers at random, while the rating values are determined based on the results of the blind tests that have been carried out. The results of the total score calculation can be seen in the table below.

Table 1. Calculation of internal factor weights and ratings

Internal factors	Weight				Rating				Average total score
	NS 1	NS 2	NS 3	Average	NS 1	NS2	NS 3	Average	
Strength									
The right taste (not too sweet)	0.077	0.070	0.060	0.069	3	4	4	3.67	0.253
Soft texture	0.070	0.070	0.065	0.068	4	4	4	4	0.272
Beautiful bread shape	0.065	0.065	0.065	0.065	3	4	4	3.67	0.238
Does not use preservatives	0.075	0.075	0.075	0.075	4	4	3	3.67	0.275
Affordable prices	0.065	0.060	0.065	0.063	4	4	3	3.67	0.231
Bread is always new/fresh	0.075	0.075	0.070	0.073	4	3	3	3.33	0.243
Special discount for certain events/purchases	0.075	0.075	0.075	0.075	4	3	3	3.33	0.249
Not easy to expire	0.075	0.070	0.070	0.071	4	3	4	3.67	0.260
Weakness									
Limited capital	0.065	0.065	0.060	0.063	1	2	2	1.67	0.105
The technology in the production process is still simple	0.065	0.060	0.065	0.063	2	2	2	2	0.126
Product standard	0.065	0.060	0.065	0.063	2	2	2	2	0.126
Location	0.065	0.060	0.065	0.063	2	2	2	2	0.126
Lack of promotional activities	0.070	0.060	0.065	0.065	2	1	1	1.33	0.086
HR Quality	0.065	0.065	0.070	0.066	1	2	2	1.33	0.0877
Product variations are not even and many	0.065	0.060	0.065	0.063	1	1	2	1.33	0.083
				1.005					2,471

Table 2. IFE . Matrix

Internal factors	Weight	Rating	Score
Strength			
The right taste (not too sweet)	0.069	3.67	0.253
Soft texture	0.068	4	0.272
Beautiful bread shape	0.065	3.67	0.238
Does not use preservatives	0.075	3.67	0.275
Affordable prices	0.063	3.67	0.231
Bread is always new/fresh	0.073	3.33	0.243
Special discount for certain events/purchases	0.075	3.33	0.249
Not easy to expire	0.071	3.67	0.260
Weakness			
Limited capital	0.063	1.67	0.105
The technology in the production process is still simple	0.063	2	0.126
Product standard	0.063	2	0.126
Location	0.063	2	0.126
Lack of promotional activities	0.065	1.33	0.086
HR Quality	0.066	1.33	0.0877
Product variations are not even and many	0.063	1.33	0.083
	1.005	40.67	24.71

Table 3. Calculation of the weight and rating of external factors

External factors	Weight				Rating				Average total score
	NS 1	NS 2	NS 3	Average	NS 1	NS2	NS 3	Average	
Opportunity									
Online marketing	0.096	0.090	0.096	0.094	3	3	3	3	0.240
HR training by relevant agencies	0.088	0.090	0.080	0.083	4	3	3	3.33	0.276
Population increase	0.080	0.080	0.080	0.080	3	3	3	3	0.210
Raw materials are easy to obtain	0.080	0.080	0.080	0.080	3	3	3	3	0.240
Threat									
Raw material price fluctuation	0.080	0.090	0.080	0.083	2	2	2	2	0.166
There are many competitors	0.070	0.060	0.080	0.070	1	1	1	1	0.070
	1,000								1,202

The proposed marketing strategy can be divided into 2 groups, short term and long term. The short term can be done now, while the long term is done after waiting for capital input. Strategies that can be carried out by MSME Mutiara Bakery can now be seen as follows:

1. Create new, more attractive packaging designs.
This packaging design includes changes in color, changes in differentiation and positioning. Changing the existing packaging design color to a color that is easier to see and gives a differentiating factor to the packaging.
2. Online sales are needed to make Mutiara Bakery better known to the public.
Online sales can be focused on social media such as Facebook, Instagram, and WhatsApp. Marketing using Facebook media used is business Facebook and advertising is different from personal Facebook in general, but the Instagram used is the same Instagram in general, it's just that you can also use paid advertising Instagram while WhatsApp is an application that is used as a personal contact to sell so that when customers want Orders can be made via the WhatsApp application. There are pamphlets that can be used by MSME Mutiara Bakery if they are willing to use online media to market Sweet bread products. Keep selling through existing distributors. With the help of distributors, Mutiara Bakery's bread products can be easily distributed to stalls in the surrounding area. The distribution of sweet bread products is adjusted to the production capacity of MSME Mutiara Bakery.
3. Alternative bread labels.
4. The price of Mutiara Bakery bread has not changed because prices can be competitive.
The price given by MSME Mutiara Bakery to consumers has been able to compete, the price is Rp3.500,- for one pack of Mutiara Bakery bread, while for competitor bread, the price is Rp2.000,-. It can be seen from the blind test that has been carried out, that respondents who filled out the blind test were very satisfied with the price of Mutiara Bakery bread.
5. Establish good relations with suppliers.
Maintaining good relations with suppliers can help finance the UMKM Mutiara Bakery. Having a good relationship with suppliers can help meet the needs of MSME Mutiara Bakery in terms of raw materials, the raw materials obtained by MSME Mutiara Bakery are of good quality.
6. Cooperate with distributors to provide incentives for stalls with the most sales per 6 months.
Collaborating with shop owners can be done by placing Mutiara Bakery products in strategic places and can be easily seen by consumers who come to the shop. For every sale made by the shop, the MSME Mutiara Bakery will provide incentives in the form of goods or discounts for Sweet Bakery bread when it exceeds a certain target.
7. Introducing Mutiara Bakery's bakery products online. By introducing Mutiara Bakery bread through the website or online, it is hoped that it can help increase sales of Mutiara Bakery
Collaborating with shop owners can be done by placing Mutiara Bakery products in strategic places and can be easily seen by consumers who come to the shop. For every sale made by the shop, the MSME Mutiara Bakery will provide incentives in the form of goods or discounts for Sweet Bakery bread when it exceeds a certain target.
Introducing Mutiara Bakery's bakery products online. By introducing Mutiara Bakery bread through the website or online, it is hoped that it can help increase sales of Mutiara Bakery bread.

The strategies that can be carried out by MSME Sweet Bakery after getting additional capital are as follows:

- a. Improve product quality by making Mutiara Bakery more delicious but at a fixed price.
Improving product quality and streamlining production costs to attract consumers' interest in sweet bread. Improving product quality can be in the form of improving the quality of raw materials, as well as the quality of packaging. With Sweet Bread products that already have

advantages such as no preservatives, attractive colors, and not easy to expire, it will make it easier for MSME Mutiara Bakery to improve product quality but have a fixed price.

- b. Creating new, more attractive packaging The unique and attractive packaging is expected to attract more consumers to buy sweet bread products. By redesigning Mutiara Bakery's own bread packaging, it will help Mutiara Bakery's SMEs to increase marketing.
- c. Making new innovations by adding flavor to Mutiara Bakery bread. Adding new flavors to Mutiara Bakery bread will be able to help Mutiara Bakery SMEs in increasing sales because adding new flavors such as chocolate jam will make consumers want to know what flavor the bread has and will increase sales of Mutiara Bakery bread.
- d. Open your own shop at home or production site. By opening their own store, it is expected that consumers will know the production location of Mutiara Bakery bread and will increase consumer curiosity to come and buy Mutiara Bakery bread. From this analysis, it can be summarized the proposed marketing strategy for MSME Mutiara Bakery which can be implemented in the short and long term, strategies that can be done in the short term are making new packaging that is more attractive, selling is done online, marketing is done by distributors to shops, establishing good relationships with suppliers, collaborating with shop owners and providing incentives and introducing new products online.

Alternative long-term strategies can be done by improving the quality of the product to be more delicious with a fixed selling price, making new packaging that is more attractive, making innovations in various flavors and creating their own shop so that consumers are making Mutiara Bakery bread. cooperate with shop owners and provide incentives and introduce new products online. Alternative long-term strategies can be done by improving the quality of the product to be more delicious with a fixed selling price, making new packaging that is more attractive, making innovations in various flavors and creating their own shop so that consumers are making Mutiara Bakery bread. cooperate with shop owners and provide incentives and introduce new products online. Alternative long-term strategies can be done by improving the quality of the product to be more delicious with a fixed selling price, making new packaging that is more attractive, making innovations in various flavors and creating their own shop so that consumers are making Mutiara Bakery bread.

CONCLUSION

Based on the results of the research conducted, it was found that the strength of MSME Mutiara Bakery affects products without preservatives, bread has a soft texture, bread that is not easily expired, strategic company location and affordable prices. While the weaknesses are organizational structure that does not work, lack of promotional activities, less attractive packaging, lack of capital owned, using personal capital, simple technology, lack of research and product development, and lack of workforce. Based on the six alternative strategies, there are two strategies that become priorities to be determined, namely creating sweet bread with new flavors or innovations and making unique and attractive packaging which will be done when you have additional business capital.

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