

The Strategy Formulation of CV. Halo Art Semesta for the Development of Kriya Wood Craft Businesses

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DOI: <https://doi.org/10.52403/ijrr.202307100>

ABSTRACT

Today, business competition is getting sharper. New businesses are required to be ready and able to enter the market, able to compete, win, excel and survive. CV. Halo Art Semesta (CV. Harts) is a new company engaged in the creative economy sector, the woodcraft sub-sector. The company is developing a new product (NPD). The objectives of this research to identify the external and internal environment, analyze the factors that influence CV. Hart development strategy and determine the formulation of new product development strategy. The number of respondents was 8 respondents who are 2 wooden craft owners, 5 from internal firm, and a business expert. The research was conducted using the key success factor analysis tool, EFE matrix and IFE matrix to analyze internal and external factors, IE matrix to see where CV. Harts position, SWOT analysis to map and provide of alternative strategies and QSPM to formulate strategic priorities. Also given an Enterprise Architecture recommendation to determine the company's long-term plan. These seven alternative strategies are used to determine strategic priorities. The two highest priority strategies are (1) turbo charge Kumiko Islamic wood craft production and make it the core business, (2) maximizing marketing performance and improving the quality of HR production. The designs of the strategic architecture are also created to determine the company's long-term plans. The strategic architectural design is to lay the foundation of NPD in the first year, production and marketing channel maximization in the second year, improve production skills and get an injection of

funds in the third year and achieve goals in the fourth year.

Keywords: Architecture strategy, SWOT, QSPM, NPD, wood craft

INTRODUCTION

In general, the Indonesian economy throughout 2021 is still in positive condition and is able to grow by 3.69% (BPS 2022). The growth of the national economy has an impact by stretching the accompanying business segments, including the creative economy sector. The creative economy is an economic concept in the new economic era that invests information and creativity, which puts forward ideas and various knowledge from human resources. The creative economy industry is an industry that is experiencing the fastest growth in Indonesia (Uyuni 2021). Kemenparekraf (2021) classifies 17 business sub-sectors in the creative economy. One of the sub-sectors of the creative economy is the craft. Craft is a product that is produced entirely by hand or with the help of tools, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product (European Commission 2017). Based on the medium raw materials, the crafts are categorized as: textiles, natural fibers, ceramics, wood, metal or metal, stone, and other materials (Kemenparekraf 2021). The craft sub-sector is one of the big three contributors to the Indonesia's GDP in 2020

from the creative economy, namely the culinary sector 40.13%, fashion 17.64%, and craft 14.64%, where the craft sub-sector in 2020 contributed Rp. 166.13 trillion and in 2021 Rp. 195 trillion. The work force in the craft sub-sector has also increased every year, in 2017 there were 3,910,802, in 2018 there were 3,913,314, and 2019 there were 4,011,578 (Kemenparekraf 2021). According to Lufiani (2018), the wood craft business is a business field with breadth that is able to grow and spur a culture of innovation and distinctiveness between creation and initiative with strategy. Craft is in line the line with dynamics of scientific development and contemporary cultural discourse (visual civilization) which is increasingly complex (Sunarya 2018).

Actors in the craft sub-sector are generally SMEs and individuals. During the Covid-19 pandemic, 30 million MSMEs in 2021 went bankrupt and 7 million people lost their jobs (CNN 2021). Even though at the end of 2021 the national economy has started to recover, conditions are not like before the pandemic. The economic sector is still not stable, on the other hand business competition is getting tighter, and new companies are popping up with various scales which in the end all are required to be able to compete and survive. Today's business competition is high, which is triggered by market struggles. Baga et al. (2011) stated that competition in the global era is competition on all lines, all sectors, all levels and all commodities or products. The essence of global competition is total competition. Ansoff (1957) states that a business enterprise must continue to grow and change. Companies must have the courage to grow in the market and be able to create a competitive advantage. David and David (2017) state that competitive advantage is whatever a company does very well compared to competing companies. Barnley and Hesterly (2015) argue that a company has a competitive advantage when it is able to create more economic value than rival companies. Cravens (2009) states that there are 3 elements of competitive advantage, namely: superior skills, superior

resources, and superior controls. Companies in their journey must have an effective and competitive business development strategy. Effective business development must begin with formulating a strategy that can be carried out through several strategic stages by looking at the internal and external sides of the company and being able to identify raises, and utilizes the company's key success factors in order to find out a concrete picture of the business being carried out. By paying attention to these stages, the company has a greater chance to become a competitive company.

This study seeks to analyze the business strategy of CV. Halo Art Semesta by carrying out a new product development portfolio in the wood craft business scope. CV. Halo Art Semesta, hereinafter referred to as CV. Harts is a new venture, established in August 2021 and engaged in the creative economy sector, the craft sub-sector and is classified as SME. The line of business that was carried out initially was as a subcontracting service for work related to development, especially the construction of mosques including the work of Nabawi door wood, brass metal work, and GRC ornaments. CV. Hart only got work from 2 construction companies as employers, then for the work that was obtained, CV Harts worked with local craftsmen (subcontractors) as third parties for the implementation. Furthermore, the business raises several problems which as follows: 1) Revenues decreased and market share did not increase; 2) There is no control of the business where there is no full control of the company over the work, so that dependence on subcontractors, high COGS and ultimately minimal and limited net profit margins; 3) High business risk, both as a construction project and financial risk;

On March 2022 CV. Harts carried out a portfolio of new product development (NPD), namely Kumiko Islamic wood crafts. The NPD as a step of a strategic change management carried out by CV Harts in business development. According to Clark and Fujimoto (1991); Lofsten, (2014) NPD is a source of competitive advantage for

companies in the future. NPD produces new product portfolio innovations that play a role in creating growth (inorganic growth) of the company rather than just improving (organic growth) business performance (Relich and Bzdyra, 2014). The new product development carried out by CV. Harts is the development of Kumiko Islamic wood craft. Kumiko woodworking is a traditional Japanese craft technique of assembling pieces of wood smoothly and precisely without using nails or metal (Wikipedia). Kumiko Islamic wood craft is a Kumiko wood craft combined with the art of Islamic calligraphy.

Based on this description, the formulation of the problem in this study includes (1) What are the external and internal environmental conditions of CV. Harts? (2) How is the formulation of the CV strategy. Harts in new product business development? and (3) What strategy does CV Harts need and prioritize as a new product business development strategy in order to be competitive and get optimal profits?

Some of the previous research references discussed in this study include: Jourdan (2018)) with the title architecture of land port business development strategy, the research resulted that business development and the things that are considered in preparing the strategic architecture are time, targets to be achieved and challenges faced. Mirzakhani's research (2014) entitled strategy formulation with SWOT matrix: A case study of an Iranian company states that priority strategies to influence the market can be implemented and are effective in achieving company goals. Furthermore, Sarah's research (2019) with the title competitive strategy for the honey industry (case study: CV. Madu Apiari Mutiara) produces six alternative strategies, three strategic priorities, and provide strategic architectural designs for the next 3 years. The difference between previous research and research conducted at CV. Harts lies in the business strategy that the company will carry out in the future. CV. Harts carried out a business

strategy focusing on getting new products and new markets in the field of wood crafts. This study aims to 1) identify the internal factors and external factors of CV. Harts who is influential in new product development; 2) Formulate strategic alternatives and recommend strategic priorities to be carried out in the development of new CV products. Harts; 3) Mapping a blue print strategy in the development of new products. Harts.

MATERIALS & METHODS

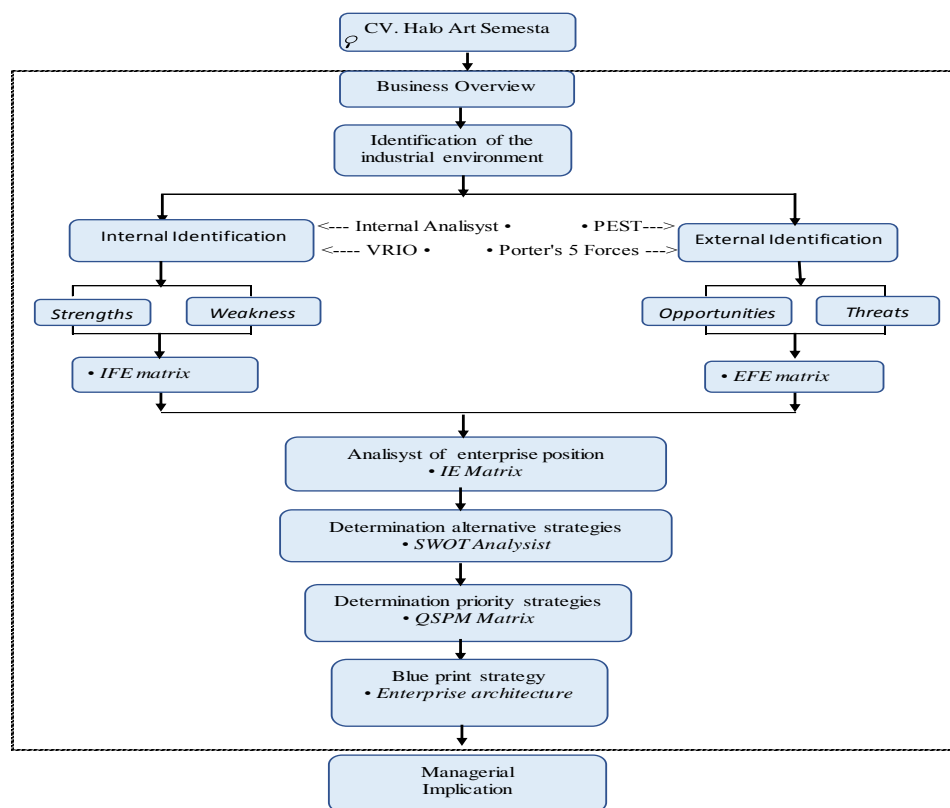
This research was conducted at CV. Halo Art Semesta, Cilebut, Bogor. The choice of location was chosen purposively with the consideration that the company is engaged in the creative economy sector which is currently developing its business by developing of a new product. The research was conducted in April to August 2022.

In this study, the data collection technique used was self-administered. The data collected and used consists of two types of data, namely primary data and secondary data. Primary data was collected either from direct research, interviews or giving questionnaires. Secondary data, obtained from literature studies, local and international journals, previous research reports (thesis), articles and related literature. The results obtained from both primary and secondary data are used to answer the research objectives that have been formulated, namely by identifying and evaluating internal and external environmental factors, determining the company's current position, provide alternative strategies and provide a draft strategy roadmap that is recommended through regular programs and annual phased programs in the future. The research framework can be seen in figure 1 below:

Determination of the sample was done by purposive sampling. Respondents include informants (key persons) who have more knowledge, expertise, competence, and information in the field to be studied (Rofaida et al. 2019). Internal samples are those who are directly involved in the company, external respondents with expert

sampling. This technique was chosen so that the respondent has the capacity, authority and level of interest. The research sampling technique used was convenience sampling. According to Sekaran (2006), the notion of convenience sampling is a collection of information from members of the population who agree to provide this information. The number of respondents to the questionnaire was 8 respondents including 3 expert respondents as well as internal respondents to CV. Harts as many as 5 respondents. Internal parties include company owners, finance secretaries, production department, marketing department, and IT department, while external parties, known as experts, are 2 woodcraft business actors and 1 business actor as well as an academic. A general interest questionnaire was also carried out via the Google form for handicraft products involving 89 respondents. The research began with direct observation, which included in-depth interviews and structured questionnaires to both selected

internal respondents and external expert respondents to find out and explore things to see, to obtain an overview, and to obtain information related to environmental identification, both environmental external (macro) and internal (micro) environment in order to obtain selected parameters identified as external factor variables (opportunities and threats) and internal factors (strengths and weaknesses) that can influence new product development strategies. A general questionnaire was also carried out via the Google form in May 2022 for 89 respondents as a screening for interest in woodcraft products. Processing and analysis of data is done qualitatively and quantitatively. Qualitative data is presented in a descriptive form to describe the general description and internal and external factors of the CV. Harts. Quantitative data is in the form of weighting for internal factors and external factors, as well as weighting at the decision-making and strategic prioritization stages. The frame of mind can be seen in Figure 1.



Descriptions: → Process flow
 ----- Research limitation

Figure 1. Research framework

RESULT

1. Analysis of the internal and external environment of the company

The greatest thing about the success of a company's business is the ability to scan its internal and external environment. The results of the observations, interviews and questionnaires were built into an internal-external analysis which was then included in the strategy formulation stage. Stages of strategy formulation in data processing and analysis on CV. Harts follows the stages of strategy formulation proposed by David and David (2017), which include:

Stage 1, the input stage, is the stage of summarizing information as the basic input needed to formulate a strategy. The stage begins with the identification of the company's external environment and internal environment.

Identification of the company's external environment using Porter's five forces analysis and PEST analysis. The two analytical tools are used because they are considered capable of identifying the external environment, that Porter's five forces analysis is a powerful management tool in analyzing industry profitability and attractiveness using an inside-out perspective (Porter 2008), Brujij (2018), Jelcic (2019). PEST analysis is a framework that categorizes external environmental factors which include political, economic, social and technological factors (Ho 2014). The results of the identification of the external environment are included as an EFE analysis to identify opportunities and threats.

Identification of the company's internal environment using Internal analysis and VRIO analysis. These two analytical tools are used because they are considered capable of identifying the internal environment, that internal analysis is carried out by analyzing the functional areas of the company (Supriatna 2014) and includes aspects of company resources (Mustakim 2021). VRIO Analysis is a tool used to analyze the company's assets and capabilities, which is the company's internal capabilities in terms of finding out whether there are components

that can be drivers or sources of sustainable competitive advantage (Rothaermel 2019) by identifying four attributes that must be owned by resources company as an acronym of four questions consisting of: V (Value), R (Rarity), I (Imitability), O (Organization) (Wandrial 2011). The results of the identification of the internal environment are included as an IFE analysis to determine strengths and weaknesses

Results, In the analysis of the external environment of CV. Harts is done by identifying a number of opportunities and threats that are in the external environment of the company. Opportunities are positive things or trends that are in the company's external environment that have the potential to provide benefits or profits to the company. While threats are negative things or trends in the company's external environment that have the potential to cause harm to the company. The results of the general questionnaire for specialization via Google form for a total of 89 respondents with the results of 87 respondents being interested and 2 respondents not, the result was that Islamic wood craft got the highest score with a total specialization of 73 respondents (83%), then followed by Kumiko wood craft with 64 respondents (73.5%) are interested and finally layered wood craft as many as 60 respondents (69%). So that in the next RnD process CV. Harts, who initially only planned to produce Kumiko wood crafts, mixed Kumiko wood crafts with Islamic calligraphy crafts called Kumiko Islamic wood crafts.

The results of the EFE analysis using Porter's five forces analysis and PEST analysis to identify external factors yield 7 opportunity parameters and 10 threat parameters. The details are as follows: political aspect = 1 opportunity; economic aspect = 1 opportunity, 2 threats; social aspect = 2 opportunities and 1 threat; technology = 2 opportunities and 1 threat, aspects of industry rivalry = 1 opportunity and 5 threats. The results of this EFE analysis are included as parameters in the EFE matrix.

In the analysis of the internal environment of CV. Harts is done by identifying a number of strengths and weaknesses that are in the company's internal environment. Strength is a key factor in achieving goals and is relatively only owned by CV Harts. Weaknesses are things that can thwart the achievement of goals that come from within the CV. Harts. IFE analysis using internal analysis was carried out on 7 aspects of company resources including management, finance, operations, marketing, human resources, and IT aspects. VRIO analysis is carried out by examining the company's internal assets and capabilities. The results of the VRIO analysis conclude that all internal factors do not have a sustainable competitive advantage. CV. Harts has two factors which are categorized as temporary competitive advantages, namely proficiency in techniques and methods of production of Kumiko Islamic woodcraft and production wood working (tools, equipment, machine) which are relatively complete and become the strength of the company. These two factors are valuable assets and capabilities and relatively few other woodcraft businesses have the same advantages. This can be an advantage for the company. Companies may devise strategies that are difficult or impossible for other companies to implement due to a lack of relevant resources or capabilities machine) are relatively complete and become the strength of the company. These two factors are valuable assets and capabilities and relatively few other woodcraft businesses have the same advantages. This can be an advantage for the company. Companies may devise strategies

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The results of the IFE analysis using internal analysis and VRIO analysis to identify internal factors yielded 8 parameters of strength and 6 parameters of weakness. The details are as follows: management aspect = 2 strengths; financial aspect = 1 strength, 1 weakness; production aspect = 2 strengths; marketing aspect = 1 strength and 3 weaknesses, Human Resources aspect = 1 weakness; SIM aspect = 1 strength; VRIO aspect = 2 strengths and distinguishing competencies. The results of this IFE analysis are included as parameters in the IFE matrix.

The results of identification of the external-internal environment (EFE-IFE analysis) are followed by the creation of an EFE (External Factor Evaluation) matrix to find out and provide weights, ratings and scores for each opportunity and threat factor and the creation of an IFE (Internal Factor Evaluation) matrix to find out and provide weights, ratings, and scores for each strength and weakness factor, Table 1 below provides an explanation of the EFE matrix analysis.

Table 1. External factor evaluation matrix (EFE matrix)

External Factors	Weight	Rating	W.Score
Opportunities			
The products offered as differential products	0,074	4,000	0,296
Market share is relatively huge	0,077	4,000	0,308
Projected economic growth 2022	0,071	3,333	0,237
Positive trend of creative economy	0,075	4,000	0,300
Post-pandemic activity normalization policy of COVID-19	0,064	4,000	0,256
Marketing based big data	0,055	3,333	0,183
Communication infrastructure	0,054	3,667	0,198
Sub total			1,778
External Factors	Weight	Rating	W.Score
Threats			
Political Stability	0,049	2,667	0,131

Economic sluggishness during and after the pandemic COVID-19	0,071	3,000	0,213
Trade policy	0,042	2,000	0,084
Level of woodcraft literacy	0,035	2,000	0,070
Competition in production capacity	0,062	2,667	0,165
Consumers sensitivity to price	0,074	3,000	0,222
Easy entry into woodcraft business	0,051	3,000	0,153
Supplier products are classified as special	0,042	2,000	0,084
The price of substitute products is more affordable	0,037	2,000	0,074
Number of companies in the woodcraft industry	0,067	2,667	0,179
Sub total			
Grand total EFE		1	3,153

The results of the evaluation of external factors on CV. Harts in Table 4 above obtains with each sub-total analysis of opportunity factors of 1.778 and sub-total analysis of threat factors of 1.375. The weighted grand total score of the EFE matrix is 3.153, in the EFE matrix results if the grand total score is above 2.500, then the results show that companies can take advantage of opportunities and minimize threats well (Haq 2020). Table 2 follows the results of processing and analysis of internal environmental factors (IFE) of CV. Harts

The results of the internal factor evaluation at CV Harts in Table 5 above get the weighted grand total value of the IFE matrix is 2.522 with each sub-total analysis of the strength factor of 1.694 while the sub-total analysis of the weakness factor is worth 0.828, the weighted grand total of the IFE matrix is above 2,500 shows that companies can make good use of strengths and minimize weaknesses (Haq 2020, Arcadia 2021). The series of EFE matrix and IFE matrix results are then continued to the next stage, namely determining the IE matrix and SWOT analysis.

Table 2 Internal factor evaluation matrix (IFE matrix)

Internal Factors	Weight	Rating	W.Score
Strengths			
Management's commitment to development in firm	0,070	3,000	0,210
Focus on NPD of Kumiko Islamic woodcraft	0,071	3,000	0,213
Establishing communication and relationships with several enterprises	0,067	2,667	0,179
Proficiency in techniques and methods of production of Kumiko Islamic woodcraft	0,079	3,333	0,263
Production wood working (tools, equipment, machine) are relatively complete	0,077	3,333	0,225
Production costs components are relatively slightly	0,075	3,000	0,225
Ability in adaptation of technology	0,064	2,333	0,149
Legality of the enterprise	0,066	3,000	0,198
Sub total			1,694
Internal Factors	Weight	Rating	W.Score
Weaknesses			
The production just started			
Limited knowledge of competitors			
Experts not exist and only owner-controlled			
Limited financial resources			
Less extensive workshops and joined owner's house			
Gallery shop unavailable			
Sub total			0,828
Grand Total	1		2,522

2. Alternative corporate strategies and corporate strategic priorities

Stages 2 and 3 are the stages of preparing alternative strategies and giving strategic priorities to the company. The sequence is as follows.

Stage 2, the matching stage, is the next stage, namely by making an IE matrix to find out

the company's current position, preparing a SWOT analysis to provide alternative strategy recommendations for the company. The IE matrix is a mapping of the IFE matrix and the EFE matrix obtained from the data entry stage. According to David and David (2017), Haq (2021) the output of the IE Matrix is divided into three main areas

consisting of nine cells with each different strategy implications. The results of the company's IE matrix are in quadrant II, namely growth and built. The calculation results of the internal and external factors above, if summarized can be compiled as

follows: a) Strength (S) of 1.694; b) Weaknesses (W) of 0.828; c) Opportunities (O) of 1,778; d) Threats (T) of 1.375. Based on these scores, the next step is to make a recap of the IFE score and EFE score as presented in Table 23.

Table 3 Resume of IFE matrix and EFE matrix

Internal Score	External Score	Alternative Strategy
S > W (+): 1.694 > 0.828(+)	O > T (+) 1.778 > 1.375(+)	Growth
S < W (-)	O < T (-)	Survival
S > W (+)	O < T (-)	Diversification
S > W (-)	O > T (+)	Stability

Source: (Wheelen dan Hunger 2018)

After compiling the IE matrix, the SWOT analysis is then continued to determine alternative company strategies. SWOT Matrix or SWOT analysis is a method used to determine strategy by knowing external opportunities and threats as well as knowing internal strengths and weaknesses (Rangkuti 2016). SWOT analysis can be described as strategic questions, namely consisting of Strengths, Opportunities, Weaknesses and Threats which show internal and external factors put together which will produce 4

alternative strategies (S-O, W-O, S-T, W-T) that can be considered (David 2017), (Mustakim 2021). SWOT analysis allows users to determine alternative strategies based on a combination of internal and external factors obtained from the previous analysis. Alternative strategy CV. Harts are acquired based on three main objectives, namely: full control of the business, new product development and market development. The results of the SWOT analysis can be seen in Table 3.

Table 4. SWOT analysis CV. Halo Arts Semesta

IFE ENTERPRISE	STRENGTH (S) 1. Management's commitment to development in firm 2. Focus on NPD of Kumiko Islamic woodcraft 3. Establishing communication and relationships with several enterprises 4. Proficiency in techniques and methods of production of Kumiko Islamic woodcraft 5. Production wood working (tool, equipment, machine) are relatively complete 6. Production costs components are relatively slightly 7. Ability in adaptation of technology 8. Legality of the enterprise	WEAKNESS (W) 1. The production just started 2. Limited knowledge of competitors 3. Experts not exist and only owner-controlled 4. Limited financial resources 5. Less extensive workshops and joined owner's house 6. Gallery shop unavailable
EFE ENVIRONMENT	STRATEGY (S-O) 1. Turbocharge Kumiko Islamic woodcraft production and make it the core business (S1, S2, S3, S4, S5, S6, S7, O1, O2, O3, O4, O5, O6, O7) 2. Prioritizing on competitive advantage as a business improvement process (S1, S2, S4, S5, S6, S7, S8, O1, O2, O3, O4, O5, O6, O7)	STRATEGY (W-O) 1. Maximizing marketing performance and improving the quality of HR production (W1, W2, W3, W6, O1, O2, O3, O4, O6, O7) 2. Available a representative workshop at once gallery shop (W3, W4, W5, W6, O1, O2, O3, O4, O5, O6, O7)
OPPORTUNITY (O) 1. The products offered as differential products 2. Market share is relatively huge 3. Projected economic growth 2022 4. Positive trend of creative economy 5. Post-pandemic activity normalization policy of COVID-19 6. Marketing based big data 7. Communication infrastructure	STRATEGY (S-T) 1. Enter entrepreneur membership and	STRATEGY (W-T) 1. Setting a strategy selling price and develop
THREAT (T) 1. Political Stability 2. Economic sluggishness		

during and after the pandemic COVID-19 3. Trade policy 4. Level of woodcraft literacy 5. Competition in production capacity 6. Consumer sensitivity to price 7. Easy entry into woodcraft business 8. Supplier products are classified as special 9. The price of substitute products is more affordable 10. Number of companies in the woodcraft industry	strengthen the supplier database (S1, S3, S7, S8, T4, T5, T7, T8, T9, T10)	cost efficiency for competitiveness (W1, W2, W6, T2, T4, T5, T6, T7, T8, T9, T10) 2. Obtai additional working capital injections (W4, W5, W6, T2, T6, T7, T8, T9, T10)
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The results of the SWOT analysis produce 7 alternative strategies. Alternative strategies are prepared based on internal factors (strengths and weaknesses) and external (opportunities and threats). The results of the SWOT analysis are then included as an analysis in the QSPM matrix to determine the priority order of the chosen strategy Stage 3 as the decision stage, is carried out by making a QSPM matrix to get the selected priority strategy recommendations. QSPM is a tool that allows strategic planners to objectively evaluate each alternative strategy based on external and internal factors

(Sembiring et al. 2018). QSPM uses input critical success factors and weights derived from IFE, EFE, SWOT analysis and IE matrix (mujiatno 2021)

The result of the QSPM matrix is an analysis of strategic priorities. Strategic prioritization is carried out on seven alternative strategies that have been obtained from a combination of SWOT analysis. At this stage a value is given to each alternative strategy to determine the top priority that must take precedence. Table 4 shows the QSPM matrix which produces strategy priority order of CV. Harts.

Table 5 Priority strategy of CV. Harts

Type of Strategy	Alternative strategies	STAS	Priority
S-O	1. Turbocharge Kumiko Islamic woodcraft production and make it the core business	6,814	I
S-W	2. Maximizing marketing performance and improving the quality of HR production	6,688	II
S-O	3. Prioritizing on competitive advantage as a business improvement process	6,442	III
W-T	4. Setting a strategy selling price and develop cost efficiency for competitiveness	6,392	IV
W-O	5. Available a representative workshop at once gallery shop	6,266	V
W-T	6. Obtain additional working capital injections	6,251	VI
S-T	7. Enter entrepreneur membership and strengthen the supplier database	6,092	VII

From the 3 stages of preparing the strategy, it is continued by providing a blue print strategy in the form of a strategic architectural design.

Company Blue Print with Strategic Architecture in Competitive Strategy Development CV. Hello Arts Universe

The strategic architectural design is a recommendation given in response to the challenges faced by the company. This design is a strategic road map (blue print strategy) to achieve the goal of developing

new Kumiko Islamic wood craft products in the next 4 years, from 2022 to 2025.

Program recommendations derived from alternative strategies in the development of CV competitive strategy. Harts, that is, there are sixteen programs that must be carried out in stages and there are eight programs that must be carried out regularly. The formulation of the strategic architecture is carried out by considering the inputs in the form of identification of the vision, mission and goals, the challenges faced and the goals to be achieved by the CV. Harts. The

preparation of the strategic architecture is a continuation of the previous analysis process. In this study, the strategic architecture is derived from the SWOT analysis results in the form of alternative SO, WO, ST and WT strategies. The strategy

architecture is a strategy summary made as a road map to make it easier for users to understand the strategy. external-internal environment, SWOT analysis. The architecture strategy of CV. Harts can be show at figure 2

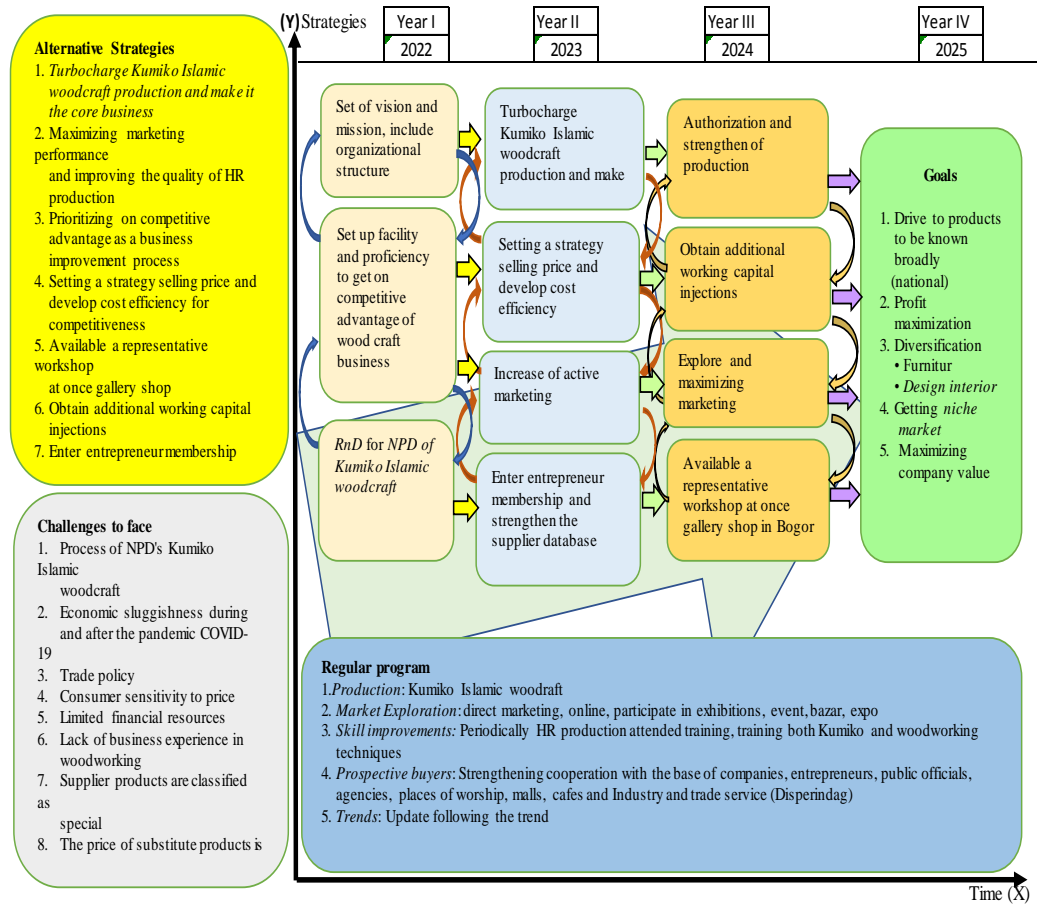


Figure 2 The architecture strategy of the CV. Harts

Managerial Implications

Identification of internal and external environmental factors have a strong influence on the company. By knowing the opportunities and threats as well as the strengths and weaknesses of CV. Harts, company management can carry out the stages of developing a new Kumiko Islamic wood craft product. CV Strategy Harts is referring to the architectural design strategy that has been made, namely as a strategy to grow and build. Strategy to grow and build CV. Harts consists of two main strategies, namely a new product development strategy and a new market development strategy. These two strategies are the most important strategies that the company needs to

implement immediately, then a backward integration strategy is added in the context of developing Kumiko Islamic wood craft products.

CONCLUSION

This study aims to formulate a strategy in business development at CV. Halo Art Semesta by conducting a new product development portfolio for Kumiko Islamic wood craft. Based on the description of the previous analysis and discussion, the following conclusions are obtained:

Results on the input stage, based on an analysis of external factors, the main opportunity for CV Harts, namely the market share is relatively huge, while the main threat

for CV. Harts namely consumer sensitivity to price. Based on the analysis of internal factors, the main strength for CV. Harts namely proficiency in techniques & methods of production of Kumiko Islamic woodcraft. While the main weakness for CV. Harts namely the production just started.

The results at the calculation stage, based on the results of the IE matrix analysis, the CV. Harts is in quadrant II, namely grow and built position. The results of the SWOT analysis produced 7 alternative strategies which were then included in the QSPM matrix as a strategic priority order

Results at the decision stage, based on the results of the QSPM analysis, the strategic priority for CV. Harts is developing a new product, namely turbocharged Kumiko Islamic woodcraft production and making it the core business, which is developing a woodcraft art that is a combination (mixed) between Kumiko woodcraft art and Islamic calligraphy.

4. The results of the strategic architecture are work programs for the next 4 years, starting from 2022 to 2025. Program recommendations derived from alternative strategies in developing CV Harts competitive strategy, that is, there are sixteen programs that must be carried out in stages and there are eight programs that must be carried out regularly.

SUGGESTIONS

CV. Harts should implement a strategic design in the form of a strategic architecture to achieve the company's goals in the NPD of Kumiko Islamic woodcraft.

CV. Harts to be able to continue to improve his mastery of Kumiko Islamic wood craft production and place it as his core business, able to quickly read market expectations and trends, set competitive selling prices, innovate in variety products and able to achieve in sustainable business (going concern), with regard to the following: 1) Whereas basically the craft business value chain is linear in nature which consists of the stages of creation (content creation), the production stage, the dissemination (trade)

stage, and the transmission (exhibition) stage as stages to gain a mass market, as well as obtain a niche market (European Commission 2017). CV. Harts must understand and be able to carry out the series of this stages. 2) Schneider and Hall (2011) stated not to ignore the basic question "Who will buy this product and at what price?". Determining the right selling price greatly affects the ability of product competitiveness as well as the achievement of maximum net profit continuity. CV. Harts in COGS calculations can choose variable costing or full costing method. 3) That basically "great" products are simple, universal, and viral. Simple, that the product is easy to use, in the sense that the product is accessible, universal, whatever product is built can be widely applied, viral, that the product markets and spreads itself (Feinleib 2012).

Declaration by Authors

Acknowledgement: None

Source of Funding: None

Conflict of Interest: The authors declare no conflict of interest.

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How to cite this article: Bayu Subekti, Dicky Indrawan, Sufrin Hannan. The strategy formulation of CV. Halo Art Semesta for the development of kriya wood craft businesses. *International Journal of Research and Review*. 2023; 10(7): 854-866. DOI: <https://doi.org/10.52403/ijrr.202307100>
