

BUSINESS DEVELOPMENT STRATEGY OF PT XYZ AS DISTRIBUTOR LPG 3 KG IN CIREBON

Mayrani Tika Mulyana^{*)1}, Rizal Syarief^{*)}, Elisa Anggraeni^{**)2}

^{*)}School of Business, IPB University

Jl. Padjajaran, Bogor, Indonesia 16151, Indonesia

^{**)2}Department of Agricultural Industrial Technology, Faculty of Agricultural Engineering and Technology, IPB University
Jl. Lingkar Akademik, IPB Darmaga Campus, Bogor 16680, Indonesia

Abstract: Energy consumption such as oil and gas which still tends to be high makes business opportunities in the energy sector considered to have promising prospects. One of the energy products that are needed by the people of Indonesia is LPG (Liquefied Petroleum Gas). PT XYZ is a 3 kg subsidized LPG agent company that is classified as a highly regulated industry business, namely all of its business activities are supervised and regulated by the government and related agencies in this case through Pertamina. In industries that are tightly regulated, business competition between actors becomes very tight even though the barrier of entry is also high. To be able to enter this industry, business people must meet several requirements including requirements, capital, including the required LPG base permit. This strategy formulation at PT XYZ needs to be studied as a case of applying strategic management theory to a subsidized LPG distribution company. Data processing and data analysis methods in this study used descriptive analysis and three-stage analysis of strategy formulation. A tool for the three-stage analysis of strategy formulation using an internal factor matrix (IFE), external factor matrix (EFE), IE matrix, SWOT matrix and QSPM. Based on the IE matrix score, the position of cooperative is in first quadrant which means growing and building. The formulation of alternative strategies was based on IE matrix analysis and SWOT analysis to produce alternative development strategies. The strategy with the highest priority is based on the results of the Quantitative Strategic Planning Matrix, namely market penetration with a Sum Total Attractiveness (STAS) value of 6.084.

Keywords: IE Matrix, LPG, SWOT, QSPM

Abstrak: Konsumsi energi sejenis minyak bumi dan gas yang masih cenderung tinggi, membuat peluang usaha pada bidang energi dinilai memiliki prospek yang menjanjikan. Salah satu produk energi yang sangat dibutuhkan masyarakat Indonesia adalah LPG (Liquefied Petroleum Gas). PT XYZ merupakan perusahaan agen elpiji bersubsidi 3 kg yang tergolong ke dalam bisnis highly regulated industry yakni keseluruhan kegiatannya diawasi dan diatur oleh pemerintah dan instansi terkait dalam hal ini melalui Pertamina. Pada industri yang diregulasi dengan ketat, persaingan bisnis antar pelaku menjadi sangat ketat walaupun barrier of entry juga tinggi. Untuk dapat masuk ke dalam industri ini, pelaku bisnis harus memenuhi beberapa persyaratan antara lain harus memenuhi syarat, modal, termasuk ijin pangkalan LPG yang dibutuhkan. Perumusan strategi pada PT XYZ perlu dikaji sebagai kasus penerapan teori manajemen strategik pada suatu perusahaan penyaluran elpiji bersubsidi. Penelitian ini menggunakan matriks IFE dan EFE untuk menganalisis lingkungan internal dan eksternal, matriks IE dan SWOT untuk formulasi alternatif strategi, dan QSPM untuk penentuan prioritas strategi. Berdasarkan skor matriks IE, posisi PT XYZ berada di kuadran pertama yang artinya tumbuh dan membangun. Perumusan alternatif strategi berdasarkan SWOT sehingga menghasilkan alternatif strategi pengembangan. Prioritas strategi berdasarkan matriks QSPM adalah penetrasi pasar dengan nilai STAS sebesar 6.084.

Kata kunci: LPG, Matriks IE, SWOT, QSPM

Article history:

Received

22 August 2022

Revised

26 September 2022

Accepted

2 January 2023

Available online

31 January 2023

This is an open access article under the CC BY license (<https://creativecommons.org/licenses/by/4.0/>)



¹ Corresponding author:

Email: mayranitika@gmail.com

INTRODUCTION

Currently business competition is very tight. The increasingly fierce competition between producers requires business people to continuously try to find new ways of running their businesses so that their companies can grow and develop. Increased sales or income must also be continuously pursued to be able to support the company's efforts to maintain its business continuity. Business in the energy sector is still the interest of business actors (Downie, 2017). Energy consumption, such as oil and gas, which still tends to be high, makes energy business opportunities considered to have promising prospects. One of the energy products that the Indonesian people need is LPG (Liquefied Petroleum Gas). According to PERTAMINA data, the rate of consumption of BBM/LPG continues to increase and has exceeded crude oil production since 2001 (Augar et al. 2017).

One of the 3 kg subsidized LPG agent companies that must be able to formulate the right strategy is PT XYZ. PT XYZ is the largest agent in the Cirebon Regency area. Basically, the 3 kg LPG gas distribution system has been prepared by the government so that it can reach the entire community (Alim, 2018). The competitive conditions faced by PT XYZ cannot be separated from its role as a distributor of subsidized LPG from PERTAMINA. The existence of a new policy plan in which the government's plans to change the distribution scheme of the 3 kg LPG subsidy, namely by reforming energy subsidies from commodity-based to individual-based, making the distribution mechanism one of the critical points that must be carried out effectively. This new policy is planned because the government feels that the distribution of subsidies for 3 kg LPG to date is not right on target and has made the subsidy burden increase. The energy subsidy policy is expected to be more targeted, through the implementation of a policy of transforming commodity-based subsidies into beneficiary-based subsidies in stages and carefully taking into account the economic and social conditions of the community (Hamzah et al. 2022).

In addition, with a background as a company that operates as an agent (distributor) in an industry with highly regulated regulations, it spurs PT XYZ to undertake opportunities and innovations. PT XYZ is engaged in a business that is classified as a highly regulated industry where all business activities are supervised and regulated by the government and its

agencies (Wibowo and Handika, 2016) which in this case is the government through PT PERTAMINA. Several industries that are categorized as highly regulated industries include the mining industry, the oil and gas industry, and the banking industry (Kristiani and Isyuardhana, 2018). In industries that are tightly regulated, business competition between actors becomes very tight even though the barrier of entry is also high. To be able to enter this industry, business people must meet several requirements, among others, must meet the requirements, capital, including the required LPG base permit. The strategy of business people to survive in a tightly regulated industry is very interesting to study.

Meanwhile, the capital needed to become an LPG distributor agent is around Rp. 100 million, with details including operational costs from transport cars, renting a place, and purchasing gas cylinders. As is known, one of the advantages of being an official agent is getting a 3 kg LPG price from Pertamina which is different from the retail 3 kg LPG price. By regulation, the difference between national and regional regulations is distinguished by the Highest Retail Price (HET). The HET for 3 kg LPG for Cirebon Regency is in accordance with the Cirebon Regent's Regulation, which is Rp. 19,000 per cylinder with a margin of approximately Rp. 1000 – Rp. 2000. This fairly thin margin has encouraged PT XYZ to carry out a strategy to maintain its business.

Other problems that often arise and make people disappointed are the untimely distribution of activities carried out from agents to bases and the lack of gas cylinders that come compared to the number of consumers who need them. Based on the problems described above, the research questions are how PT XYZ's current business condition is, what internal and external factors affect the performance of PT XYZ's business as a distributor of 3 kg subsidized LPG, and how to formulate an appropriate and comprehensive alternative strategy for strategy development at PT XYZ. The purpose of this study was identify the current business conditions of PT XYZ, analyze the factors that influence the business development of PT XYZ, and formulate an appropriate and comprehensive strategy for PT XYZ's business development as a strategy to face business competition. The benefits of this research for management PT XYZ's are expected to be input and advice for management in improving performance and efforts to make strategic decisions related to the development of subsidized LPG distributor business.

METHODS

The study was conducted September 2021 to March 2022 at the PT XYZ Cirebon area. The research approach used descriptive quantitative and qualitative research. The data used in this study are primary data and secondary data. Primary data was obtained through direct observation at the research site, in-depth interviews, focus group discussions, and questionnaires that had been prepared with directly related parties. Secondary data are PT XYZ's financial reports, PT XYZ's annual report, internal data of PT XYZ's company, and related literature from various reference sources.

The data processing and analysis method used consisted of descriptive analysis and strategy formulation referring to the concept of David (2017). The descriptive analysis used is qualitative. Formulation of alternative strategies and development of business models are carried out in several stages, namely analysis of internal conditions, analysis of external conditions is carried out to know opportunities and threats originating from the general environment and the industrial environment of PT XYZ. Five Force Analysis, internal and external analysis (IE), strategy formulation using the matrix method. Research framework in Figure 1.

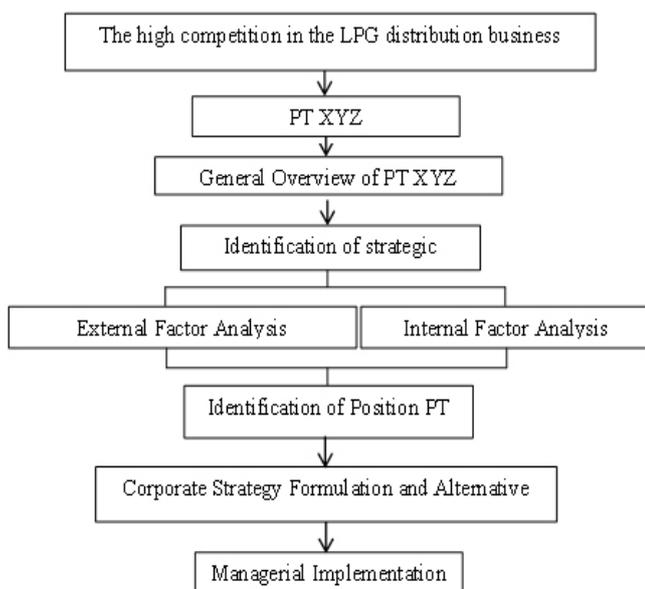


Figure 1. Research framework

RESULTS

General Overview of PT XYZ

PT XYZ was founded in 2005 where previously this company was a kerosene agent company. The initial distribution process begins with the distribution of the number of LO from PERTAMINA each month based on the number of tubes and bases owned by the agent and the distribution of the 3 kg LPG subsidy quota by PERTAMINA to each agent. The collection and refilling of 3 kg LPG cylinders at SPPBE can be done after PT XYZ has paid the allotted LPG. Furthermore, PT XYZ distributes LPG to 62 bases in accordance with the distribution of the amount of LPG made by PT XYZ based on the number of gas cylinders invested by the bases.

The success of achieving the vision and mission cannot be separated from the parties involved in it. Vision is a point of view organization against the expectations to be achieved in the future (Rahim and Rajab 2017). Analysis of stakeholders can be achieved through an assessment of the power and influence of stakeholders in the company that produces stakeholder positions related to the strategy of how the company positions stakeholders to control power and influence (Federa and Hudiyono, 2019). Table 1 is one of the analytical tools used to map stakeholders.

Ma et al. (2018) state that stakeholders can be divided into two parts primary stakeholders and secondary stakeholders. PT XYZ shareholders and the government are the main stakeholders, while customers and employees are supporting stakeholders. Shareholders and the government are considered to be the main stakeholders because they are directly related and greatly affect the sustainability of the company. This is because the policies made by the government, both central and local governments, will greatly determine the company's strategy in running the company.

Internal Analysis of PT XYZ

PT XYZ's internal is the environment within the company and has a direct influence on the direction and actions of the company. According to David (2017) in analyzing the internal environment, it is necessary to pay attention to various aspects such as the following:

1. Management

PT XYZ in controlling its activities is based on the implementation of the management system which includes planning, organizing, motivating, appointing staff or managing activities, and controlling. In general, the management functions implemented by PT XYZ are as follows:

- a. Planning (Planning in PT. XYZ is looking at the allocation given by PERTAMINA for the distribution of subsidized LPG stock).
- b. Organizing (PT XYZ is a family company, so that the organization still applies, if there is a policy that must be implemented it must be with the highest approval).
- c. Motivating (Motivating is done by involving employees and managers. As for the efforts made by PT XYZ in motivating its employees are conducting two-way communication and sharing to overcome obstacles that exist in the field openly).
- d. Managing (The management activities of PT XYZ can be said to be quite good because in addition to get a basic salary, employees get incentives in the form of bonuses per rate. However, in the management of its products, especially in terms of quality and safety of gas cylinders, it is necessary to improve (Suharyanto et al. 2020)).
- e. Controlling (PT XYZ's control activities are carried out by monitoring incoming and outgoing stocks recorded in the logbook for PERTAMINA's reporting).

2. Marketing

Marketing can be described as a process of defining, anticipating, and fulfilling consumer needs and wants for a product or service (Ismanto 2020). The following are some of the functions in the marketing aspect including:

- a. Customer Analysis (Customers who are the target market are people who are entitled to subsidies from the government. The groups of people who are entitled to 3 Kg subsidized LPG have been agreed. 104 of 2007 concerning Provision, Distribution, and Pricing of 3-Kg LPG Cylinders Article 3 paragraphs 1 for households and micro-enterprises and Presidential Regulation no. 126 of 2015 concerning Provision, Distribution, and Pricing of LPG for fishing vessels for small fishermen).
- b. Product/Service Sales (The company's ability to sell products based on the company's wishes in accordance with the company's vision of PT XYZ. Product sales in the form of subsidized LPG gas cylinders are measured by the suitability of the delivery time that has been regulated by PERTAMINA, namely the Schedule Agreement. To regulate the distribution process to the final consumer, where PT XYZ passes through the base, there are several provisions of the agreement between PT XYZ and the base that have been approved and agreed to bind each other in a cooperation contract for the appointment of the 3 kg LPG base).
- c. Product/Service Planning (Product/service planning includes marketing test activities, product and brand positioning, warranty utilization, packaging, product selection determination, product features, product style, and product quality (David 2017). In this case, PT XYZ has no specific product planning activities. This is because the main function of PT XYZ is to distribute subsidized LPG according to the regulations set by PERTAMINA. However, in terms of packaging, because it is in the form of a tube and its contents are made of explosive gas, PT XYZ puts a rubber band on the end of the tube to ensure the safety of consumers and employees themselves).

Table 1. Stakeholders Analysis Matrix (Project Management Institute 2017)

Stakeholders	Stakeholders-Interest	Assessment of Impact	Potential Strategies
Shareholders	Primary	High power-high interest	Ensuring distribution business runs effectively and efficiently
Government	Primary	High power-high interest	Carry out work operations in accordance with government policies
Customer	Supporter	High power-high interest	Meeting the needs of the community in a targeted, effective and efficient manner
Employee	Supporter	Low power-high interest	Increase productivity and work motivation to achieve the company's targets, vision and mission

3. Finance

One part of the financial system is working capital. PT XYZ once took debt for working capital or long-term debt, however, there were no problems in payment. Every year, the financial statements are audited by the BPK. In addition, the operational division takes part in recording and checking financial statements

4. Production/Operation

The company's operations are to take 3 kg of subsidized LPG stock from PERTAMINA and distribute it to company bases. However, in this case several times PT XYZ experienced delays in delivery. The occurrence of delays in product delivery at PT XYZ is an error in setting the shipping route, if it is not determined which route to take first, it will be determined not to be carried out optimally. Therefore, PT XYZ needs to determine the distribution route.

5. Management Information System

In the framework of the company is building information assurance a system consisting of policies, risk control, program implementation, and follow-up controls, to provide adequate understanding for its employees (Bokhari and Manzoor, 2022). The company has applications in collaboration with PERTAMINA, namely SIMOL3K and SIMOLEN. In addition, to facilitate payments, payments are also made online, namely by using the MSC Bank Mandiri application.

Externals Analysis of PT XYZ

External analysis focuses on determining the key factors that pose threats and opportunities for PT XYZ. In analyzing the external environment, it is necessary to pay attention to various aspects such as:

1. Economy

One of the influential economic forces is regional economic growth. The economic growth of a region from year to year is indicated by the value of the Gross Regional Domestic Product (GRDP) at constant prices

(Mappigau 2021). Cirebon experienced very fluctuating economic growth. The slowing rate of economic growth in Cirebon is in line with the increasing percentage of poor people in Cirebon which is shown in the graph (Figure 2). From the graph, it can be seen that in 2016-2019 the percentage of poor people in Cirebon has increased in 2020. Economic growth has a fairly influential impact on the running of PT XYZ's business activities, because by looking at the rate of regional economic growth, especially in Cirebon, PT XYZ can find out information on the growth of goods/services that can show whether or not an area is prosperous.

2. Politics, Government, and Law

By regulation, the difference between national and regional regulations is distinguished by the Highest Retail Price (Tri 2018). The Cirebon Government has decided the Highest Retail Price (HET) for 3kg Liquefied Petroleum Gas (LPG) at the agent and base level through the Cirebon Regent Regulation No. 27/2016.

3. Social, Cultural, Demographic and Environmental

The level of community welfare in an area in a certain period is basically formulated in the Human Development Index (HDI) or Human Development Index (HDI) (Mulyana and Octavianti, 2017). This condition will provide wider opportunities for PT XYZ which can play a direct role in fulfilling the demands of the community in the energy sector.

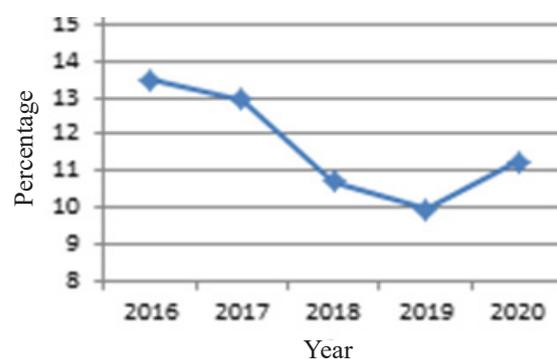


Figure 2. Percentage of Poor Population in Cirebon in 2016-2020 (BPS Cirebon Regency, 2020)

4. Technology

The technology used by PT XYZ is still based on a system regulated by the government, namely using the SIMOLEN application. However, in an interview with PT XYZ, if there is a technology that is more integrated with records in accordance with government regulations and provides benefits, PT XYZ will openly adopt technology such as private block chain. Block chain is an information sharing system that has a strong data transparency mechanism where all participants in the system can find out all the information in the system (Ariningsih and Sundara 2019)

5. Industrial Environment (Five Forces Analysis)

a. Internal Competition (Rivalry)

There are 34 similar companies in the Cirebon area. PT XYZ must watch out for this by having a strategy to better distribute 3 kg subsidized LPG and according to government regulations to bases. During the operation, PT XYZ is considered to be able to overcome the competition in an effective and efficient manner in accordance with applicable operational standards in terms of the distribution of 3 kg LPG gas as seen by the absence of default by PT XYZ.

b. Threat of New Entrants

Newcomers to the 3 kg subsidized LPG distribution company, although not easy, are not the only threat. For distributors who have large allocations such as PT XYZ, they are worried that the most real threat is when there is a gas network from PT State Gas Company (PGN) which directly serves natural gas to households. This has an impact on the sustainability of PT XYZ's operations, including other subsidized LPG distribution companies.

c. Threat of Substitutes

PT XYZ has challenges in dealing with other substitute products such as non-subsidized LPG, Bright gas, and the latest threat, namely the Gas Network (JarGas). PT XYZ for substitute products feared by PT The State Gas Company where there is a product called JarGas. Apart from subsidized LPG, there are also non-subsidized LPG, such as Bright Gas, but for now, 3 kg of subsidized LPG is considered to be manageable due to economic factors.

d. Supplier Bargaining Power

In this case PT. XYZ for the bargaining power of suppliers does not pay attention to the purchase of materials because the company only distributes subsidized LPG, but for pricing PT. XYZ follows the rules from PERTAMINA and the government.

e. Customer Bargaining Power

PT XYZ with a fairly broad market share resulted in a larger daily demand for products than the supply. This is a great strength of the bargaining power of buyers where subsidized LPG needs can be used every day. In addition, buyers who play a role here are mostly sub-agents or bases.

Internal Factor Formulation (IFE) Matrix Analysis

The IFE matrix was compiled after identifying PT XYZ's internal environmental factors including strengths and weaknesses. The results of the IFE matrix analysis can be seen in Table 2. Based on the results of the IFE matrix, it shows that the final result of the IFE matrix for elements of strength and weakness is obtained from a total score of 3.064. The total score indicates that PT XYZ is in a strong internal position.

External Factor Formulation (EFE) Matrix Analysis

The EFE matrix was compiled after identifying factors to evaluate PT XYZ's external factors. The results of the EFE matrix analysis can be seen in Table 3. Based on the results of the EFE matrix, the opportunity and threat elements are obtained from the cumulative opportunity score index value of 2.061, while the final weighted score for threats is 1.27.

Internal - External (IE) Matrix Analysis

The results of the analysis of the IFE and EFE matrices are combined to obtain an IE matrix (Evelyn 2018) that shows the internal and external conditions of PT XYZ. The following is the position of PT XYZ in the IE Matrix, which can be seen in Figure 2. The IE matrix shows that PT XYZ is in quadrant I, which means growing and building (Qanita 2020) where PT XYZ is in a good position to take advantage of internal strengths, and take advantage of external opportunities.

Table 2. Matrix Internal Factor Formulation (IFE) PT XYZ

Internal Strategic Factors	Average Rating	Average Weight	Total Score
Strength			
Careful planning	0.098	4	0.392
The organization and division of tasks went quite well	0.052	3	0.156
Open communication	0.066	4	0.264
Marketing is carried out with effective and efficient distribution	0.163	4	0.652
Operational system in accordance with government regulations	0.179	4	0.716
Financial recording and data collection of incoming and outgoing stocks in the SIMOLEN application	0.093	3	0.279
Weakness			
Product quality and safety need to be improved	0.088	2	0.176
Uncertain government fluctuations	0.093	1	0.093
PT XYZ's capital	0.086	2	0.172
Delays in delivery	0.082	2	0.164
Total			3.064

Table 3. Matrix External Factor Formulation (EFE) PT XYZ

External Strategic Factors	Average Rating	Average Weight	Total Score
Opportunity			
Subsidized products	0.221	4	0.884
Increase in population growth rate	0.171	3	0.513
Technology utilization	0.12	3	0.36
Bargaining power of buyers	0.152	2	0.304
Threat			
The slowdown in Cirebon's economic growth rate	0.09	4	0.36
Threat of new entrants	0.072	4	0.288
Replacement products	0.074	3	0.222
Distribution competition	0.1	4	0.4
Total			3.331

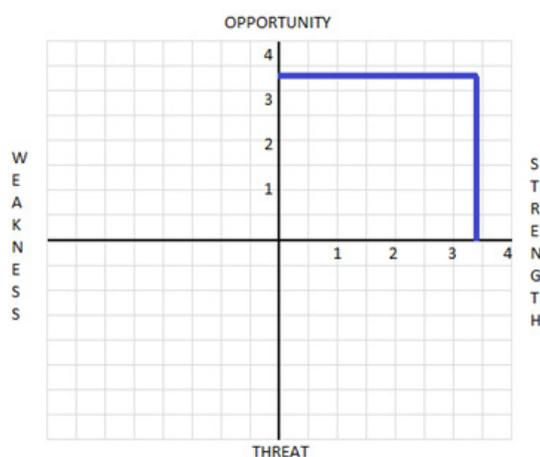


Figure 2. IE Matrix PT XYZ

Swot Matrix

Based on the results of the analysis of the internal and external environment, alternative strategies can be formulated using the SWOT matrix. Through the SWOT matrix, four types of strategies are obtained, namely the SO (strengths-opportunities) strategy, the WO (weaknesses-opportunities) strategy, the ST (strengths-threats) strategy, and the WT (weaknesses-threats) strategy (Budiman et al. 2018). Based on the results of the SWOT matrix analysis, the alternative strategies obtained are as follows (Table 5).

Table 4. SWOT Matrix PT XYZ

	<p>Strength-S</p> <ol style="list-style-type: none"> Careful planning The organization and division of tasks went quite well Open communication Marketing is carried out with effective and efficient distribution Operational system in accordance with government regulations Financial recording and data collection of incoming and outgoing stocks in the SIMOLEN application 	<p>Weakness-W</p> <ol style="list-style-type: none"> Product quality and safety need to be improved Uncertain government fluctuations PT XYZ's Capital Delivery delay
<p>Opportunities – O</p> <ol style="list-style-type: none"> Subsidy products from the government Increasing the rate of population growth Utilization of technology Bargaining power of buyers 	<p>Strategy S-O</p> <ol style="list-style-type: none"> Develop the market through a system that has been well built for the use of technology (S5, S6, O3) Attract new sub-agents by improving services by introducing a block chain system including the allocation of LPG gas cylinders to each base, transactions at each base to retailers, SMEs, and households so that they can be integrated thoroughly and supervision to the final consumer is carried out properly. (S1, S4, O3, O2) Improving product integrity, loyalty, and quality 3 kg LPG gas cylinders in the process of filling, transporting, and distributing to avoid gas leaks. (S2, S3, O1, O4) 	<p>Strategy W-O</p> <ol style="list-style-type: none"> Improving the quality of gas cylinders by checking and performing routine maintenance on equipment related to LPG safety, such as APAR (W1, O1) Aimed at the community so that it is right on target (W2, O2) Maintain good relations with PERTAMINA (W2, O1, O4) Carry out scheduling, delivery and supply of 3 kg LPG in accordance with PERTAMINA SOPs (W2, W3, O1, O2, O3) Increase capital (W3) Determination of the distribution route by considering the capacity of the available means of transportation for the existing base located in Cirebon (W4, O4)
<p>Threats- T</p> <ol style="list-style-type: none"> The slowdown in Cirebon's economic growth rate Threat of new entrants Replacement products Distribution competition 	<p>Strategy S-T</p> <ol style="list-style-type: none"> Improve distribution operations and effective supervision to deal with new entrants (S1, S5, T2) Distribution and filling of LPG is carried out more effectively and efficiently (S1, O4) 	<p>Strategy W-T</p> <ol style="list-style-type: none"> Improve product quality and delivery to sub agents (W1, T3)

Quantitative Strategic Planning Matrix (QSPM)

Alternative choice priority strategies can be obtained using QSPM based on the Sum Total Attractiveness (STAS) of each choice (Indriarti and Chaidir 2021). Score The highest STAS indicates that the strategy choice is the most effective attractive for PT XYZ. Based on the TAS value (Table 5), it can be seen that the market penetration strategy has the highest value, which is 6.084. Thus, the most appropriate main strategy for PT XYZ to implement is a market penetration strategy by:

- Develop the market through a system that has been well built for the use of technology by improving the

distribution channel model directly and in chains so that complaints from consumers can be known by the company.

- Attracting new sub-agents by improving services by introducing a block chain system, namely an online system that will be made open, including the allocation of LPG gas cylinders to each base, transactions at each base to retailers, SMEs, and households. The use of block chain in terms of distribution of subsidized 3 kg LPG is useful for storing all data/information regarding gas distribution so that the distribution process can be distributed transparently and accurately (Romdoni and Rizquallah, 2021)

3. Improving existing services and expanding marketing areas by scheduling, shipping, and providing 3 kg LPG by determining distribution routes and considering the capacity of transportation equipment available for bases in Cirebon obtained with the help of regional mapping based on the sub-districts that are available. in Cirebon (Figure 4).
4. Improve distribution operations and effective supervision to deal with new entrants by trying to optimize and utilize existing distribution channels and develop distribution capacity and improve distribution channels by offering or depositing 3 kg subsidized LPG cylinders in remote stalls to make them more affordable. easily accessible to the public.

Managerial Implication

Management has four functions, namely planning, organizing, directing, and controlling. The four functions are then linked with a collaboration that is formulated based on the concept of managerial implications in the form of strategic suggestions for stakeholders, namely Academic, Business & Community, and Government (Table 6). This collaboration is very necessary for a research to create a strategic synergy, so that the objectives and benefits of the research can be achieved.

Table 5. QSPM Matrix PT XYZ

Factor	Weight	Alternative Strategy					
		Product Development		Market Development		Market Penetration	
		Rating (AS)	Total TAS	Rating (AS)	Total TAS	Rating (AS)	Total TAS
Strength							
S1	0.098	4	0.392	4	0.392	4	0.392
S2	0.052	4	0.208	3	0.156	4	0.208
S3	0.066	3	0.198	3	0.198	3	0.198
S4	0.163	3	0.489	2	0.326	3	0.489
S5	0.179	2	0.358	3	0.537	3	0.537
S6	0.093	3	0.279	3	0.279	3	0.279
Weakness							
W1	0.088	3	0.264	3	0.264	3	0.264
W2	0.093	3	0.279	4	0.372	4	0.372
W3	0.086	4	0.344	3	0.258	3	0.258
W4	0.082	2	0.164	3	0.246	3	0.246
Opportunities							
O1	0.221	3	0.663	2	0.442	3	0.663
O2	0.171	3	0.513	2	0.342	2	0.342
O3	0.12	2	0.24	2	0.24	3	0.36
O4	0.152	3	0.456	3	0.456	3	0.456
Threats							
T1	0.09	3	0.27	2	0.18	2	0.18
T2	0.072	3	0.216	3	0.216	2	0.144
T3	0.074	2	0.148	4	0.296	4	0.296
T4	0.1	3	0.3	4	0.4	4	0.4
Total			5.781		5.6		6.084

Table 6 Managerial implications

PT XYZ's Management	Implementing the strategic recommendations that have been analyzed
Academic	Provide assistance in accordance with the theory and analysis formed
Government	The government needs to facilitate business meetings between actors so that collaboration can be formed. It is also necessary to provide training and assistance to the formed collaboration groups.

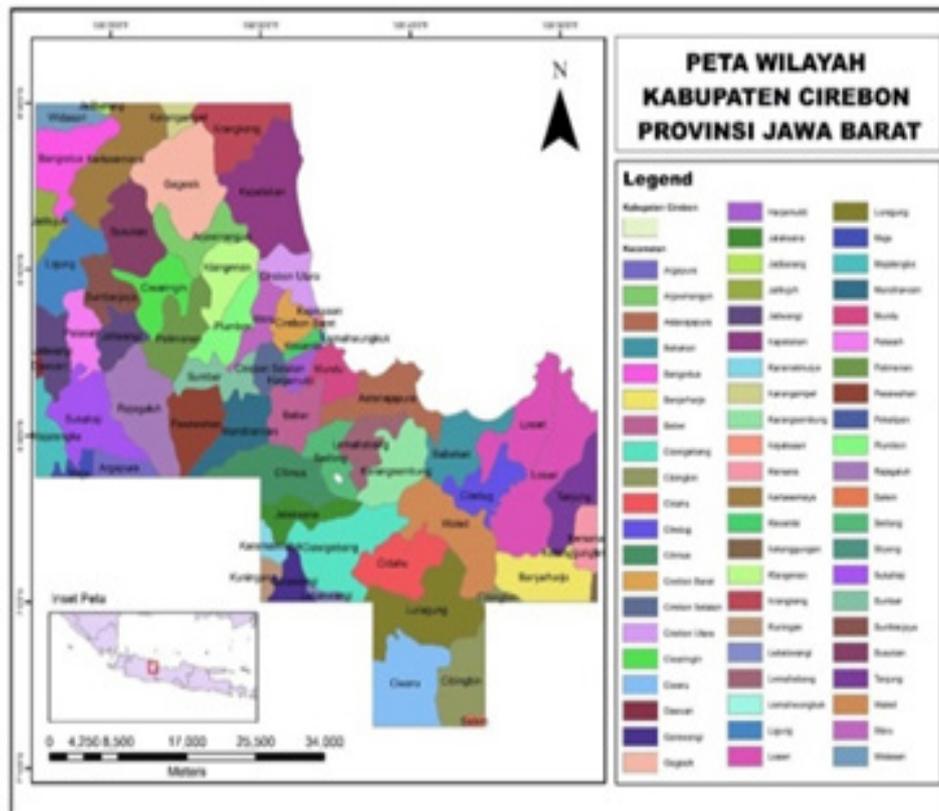


Figure 4. Map of Cirebon by sub-district

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The distribution system of 3 kg LPG at PT XYZ is distributed in a closed system, namely a system controlled by binding regulations. Based on the results of the identification of the internal environment and the analysis of the internal factor evaluation (IFE) matrix, the strengths possessed by PT XYZ include careful planning, organization and division of tasks running quite well, open communication, marketing is carried out with effective and efficient distribution, operational systems according to with government regulations, and financial records and data collection of incoming and outgoing stocks in the SIMOLEN application. Meanwhile, the weaknesses include product quality and safety that need to be improved, uncertain government fluctuations, PT XYZ's capital, and delivery delays. Based on the identification of the external environment and external factor evaluation (EFE) analysis, the opportunities faced by PT XYZ include subsidized products from the government, increased population growth rates, technology utilization, and bargaining power of buyers, while the threats faced by PT XYZ include slowing the rate of growth. Cirebon's economic growth, the threat of new entrants, substitute

products, and competition for the distribution of 3 kg LPG. The results of the internal external matrix (IE) show that PT XYZ's position is in cell I, which is growing and developing. The results of the SWOT analysis resulted in 13 alternative strategies applied by PT XYZ to develop its business. The strategy with the highest priority based on the results of the Quantitative Strategic Planning Matrix is the market penetration strategy with a TAS value of 6.084.

Recommendations

Future research can use the framework that has been proposed to be applied to other sectors with some adjustments. In addition, further research can also examine the implementation and evaluation of the development strategy of PT XYZ and companies with the same related field.

REFERENCES

- Alim FY. 2018. Implementasi kebijakan konversi minyak tanah ke LPG di Kecamatan Poso Pesisir Selatan Kabupaten Poso. *Jurnal Ilmiah Administrtie* 11(1): 51-62.
- Ariningsih PK, Sundara GY. 2019. Blockchain for improvement of emergency response in

- humanitarian logistics Indonesia. *9th International Conference on Operations and Supply Chain Management* 1-7.
- Aguar, Firdaus M, Sahara. 2017. Pengembangan strategi PT ABC niaga di industri distribusi gas. *Jurnal Aplikasi Bisnis dan Manajemen* 3(3): 373-383. <https://doi.org/10.17358/jabm.3.3.373>
- Bokhari SAA, Manzoor S. 2022. Impact of information security management system on firm financial performance: perspective of corporate reputation and branding. *American Journal of Industrial and Business Management* 12: 934-954. <https://doi.org/10.4236/ajibm.2022.125048>
- Budiman I, Tarigan UPP, Mardhatillah A, Sembiring AC, Teddy W. 2018. Developing business strategies using SWOT analysis in a color crackers industry. *J. Phys.: Conf. Ser.* 1007012023. doi:10.1088/1742-6596/1007/1/012023.
- David FR. 2017. *Manajemen Strategis Suatu Pendekatan Keunggulan Bersaing*. Jakarta: PT Salemba Empat.
- Downie C. 2017. Business actors, political resistance, and strategies for policymakers. *Energy Policy* 108 583-392. <https://doi.org/10.1016/j.enpol.2017.06.018>
- Evelyn. 2018. Analisis manajemen strategi bersaing dengan matriks ie, matriks swot, dan matriks qspm pada PT XYZ. *Jurnal Manajemen Bisnis dan Kewirausahaan* 2(4): 99-105. <https://doi.org/10.24912/jmbk.v2i4.4869>
- Federa SD, Hudiyono RF. 2019. Analisis pemangku kepentingan (*stakeholders*) pada unit hubungan masyarakat (humas) dan kesekretariatan PT Semen Padang. *Jurnal Administrasi Bisnis Terapan* 2(1): 11-19. <https://doi.org/10.7454/jabt.v2i1.72>
- Hamzah AM, Haq N, Rizkasari. 2022. Manajemen kebijakan subsidi LPG tabung 3 kg di Kecamatan Bajeng Barat Kabupaten Gowa. *Journal Unismuh* 3(1) 1-20.
- Indriati R, Chaidir NR. 2021. Penerapan quantitative strategic planning matrix (QSPM) untuk merumuskan strategi bisnis. *Manajerial* 20(1): 159-170. <https://doi.org/10.17509/manajerial.v20i1.41179>
- Isyanto J. 2020. *Manajemen Pemasaran*. Tangerang Selatan: UNPAM PRESS.
- Kristiani FT, Isynewardhana D. 2018. Survival analysis of industrial sectors in Indonesia companies. *Jurnal Keuangan dan Perbankan* 22(1): 23-36. <https://doi.org/10.26905/jkdp.v22i1.1601>
- Ma L, Wang L, Wu KJ, Tseng ML. 2018. Assessing co-benefit barriers among stakeholders in Chinese construction industry. *Resources Conservation Recycling* 137: 101-112.
- Mappigau E. 2021. Analisis pertumbuhan dan kontribusi sektor kehutanan dan perikanan terhadap PDRB. *AKUNTABEL* 18 (2): 303-311.
- Mulyana S, Octavianti M. 2017. Kemiskinan dan budaya konsumtif pada masyarakat Indramayu. *Prosiding Konferensi Nasional Komunikasi* 1(1): 776-785.
- Qanita A. 2020. Analisis strategi dengan metode SWOT dan QSPM: Studi kasus pada d'gruz cafe di Kecamatan Bluto Sumenep. *KOMITMEN: Jurnal Ilmiah Manajemen* 1 (2): 11-24.
- [PERBUP] Peraturan Bupati Cirebon. 2016. Nomor 27 tentang Harga Eceran Tertinggi (HET) Liquefied Petroleum Gas (LPG) Tabung 3 Tiga Kilogram di Tingkat Agen dan Pangkalan di Kabupaten Cirebon.
- [PP] Peraturan Presiden. 2007. Nomor 104 tentang Penyediaan, Pendistribusian, dan Penetapan Harga *Liquefied Petroleum Gas* Tabung 3 Kilogram.
- [PP] Peraturan Presiden. 2015. Nomor 126 Tahun 2015 tentang Penyediaan, Pendistribusian, dan Penetapan Harga LPG untuk Kapal Perikanan bagi Nelayan Kecil.
- Project Management Institute. 2017. PMBOK Guide - 6th Edition. In Project Management Institute Vol. 40, Issue 2.
- Rahim HAR, Radjab E. 2017. *Manajemen Strategi*. Makassar: Lembaga Perpustakaan dan Penerbitan Universitas Muhammadiyah Makassar.
- Romdoni MR, Rizqullah NZ. 2021. Sistem informasi distribusi gas elpiji 3kg bersubsidi berbasis teknologi blockchain. *Bangkit Indonesia* 10(2): 1-12.
- Suharyanto CE, HArhap AK, Alfiandianto A. 2020. Home safety: desain keamanan gas LPG dengan sensor pendeteksi kebocoran. *Jurnal Informatika* 20(1): 41-53. <https://doi.org/10.30873/ji.v20i1.2091>
- Tri ED. 2018. Pengawasan harga eceran tertinggi (HET) gas tabung 3 kg. *Jurnal Ilmu Politik dan Pemerintah Lokal* 1(2): 40-57.
- Wibowo A, Handika RF. 2016. The strategy of the banking industry in Indonesia: following institutional theory or resource-based view?. *Jurnal Siasat Bisnis* 20(2): 131-140. <https://doi.org/10.20885/jsb.vol21.iss2.art3>