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The Quantitative Strategic Planning Matrix (QSPM) Applied to a Snail Chips in PT. X

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ABSTRACT: One of the companies that will develop a business strategy is PT X, which is engaged in the production of snail meat. The purpose of this study is to determine the position of the company and the sequence of strategies that should be used for the sale of snail chips. The use of the research object is the development of a business strategy for snail chip products is QSPM. The first strategy is to increase cooperation with new steamers to offset the increasing volume of demand and reach consumers more widely. The second is to improve the quality better than the competitors at an affordable price and the third is to plan the schedule in a timely way in case of increased demand volume.

Keywords – *QSPM, snail chips, marketing*

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1. INTRODUCTION

Today's global market has an impact on companies in terms of ease of marketing their products from within the city and outside the city. In addition to the need to provide a stock of goods to be sent to the ship, a business strategy is also needed (1). It attempts to organize qualitative and quantitative information in a way that allows effective decisions to be made under conditions of uncertainty. Although strategic management is not a pure science that lends itself to a nice, neat, one-two-three approach, the process is widely viewed to consist of three distinct stages: strategy formulation, strategy implementation, and strategy evaluation. The QSPM fits into the first stage, strategy formulation, and is an excellent tool for deciding among feasible alternative strategies (2). Various strategies exist today, for example, namely selling through digital platforms that can penetrate multiple layers of the market, especially potential buyers who are enthusiastic about online media (3).

Although widely used today in the classroom among business students learning strategic management concepts, the QSPM has not been widely used among businesses actually doing strategic planning. And there are no good reasons why the QSPM should be limited to classroom use! It is an excellent tool for assimilating and prioritizing key internal, external, and competitive information needed for devising an effective strategic plan. The relative importance of various facts, figures, trends, and data is deciding among feasible alternative strategies to pursue is critically important in formulating strategies that can provide major competitive advantages to the firm. The QSPM provides a clear framework for this prioritization process (2).

Formulating strategies is conceptually the same for large and small, profit and nonprofit organizations although there is debate among academicians and practitioners of strategic management as to the extent that the process should be more objective/quantitative as opposed to more subjective/qualitative. Mintzberg coined the term “crafting” strategies to refer to the more subjective approach, but the authors of this paper advocate a more objective approach (4).

One of the companies that will develop a business strategy is PT X, which is engaged in the production of snail meat. Snail meat has many benefits for the health of the body if it is the right way of consuming and the right amount. The snail meat produced comes from the forest and is still alive when harvested. When the snail meat arrives at PT X, the size of the snail is selected to meet the production-worthy and marketable standards. If the snails do not meet the criteria, they will be separated for sale to local MSMEs. This research has a discussion related to the business strategy that will be developed in the marketing of snail meat, which has become a snail chip product. The increasing competition for snail chip products will decrease in sales if a business strategy is not developed. Therefore, the purpose of this study is to determine the position of the company and the sequence of strategies that should be used for the sale of snail chips. Limitation of the problem used QSPM process to determine the business strategy used, and the results of alternative approaches based on the quadrant of the company's position. The research assumption used is that there is no change in data related to strengths, weaknesses, opportunities, and threats after the observation. The results of this study are expected to provide insight into business strategies using QSPM for readers, companies, and further researchers.

2. MATERIALS AND METHODS

This research took place at PT.X, which is located in Kediri, East Java. The subject used is PT.X as a place to find information related to supporting data in research. The use of the research object is the development of a business strategy for snail chip products is QSPM (Quantitative Strategic Planning Matrix). The operational variable used is the development of a business strategy conceptualized to determine the event of a business strategy using QSPM methods (5–7). The first indicator used is the SWOT method with factors obtained from the results of observations, including the strengths, weaknesses, opportunities, and threats of the company in selling snail chips. The second indicator is the QSPM method by implementing alternative strategies based on the SWOT results related to the company's position in quadrants I, II, III, or IV (8). The data used is between others, namely strengths, weaknesses, opportunities, and threats with qualitative data types, then a literature review with quantitative and qualitative data types with secondary data sources. The first data collection technique was carried out by observation, namely direct observation, recording information related to research materials, secondly conducting interviews with company owners connected to strengths, weaknesses, opportunities, and threats faced in selling snail chips products, third, collecting references that supported the research. The data analysis techniques used are as follows:

2.1 Collection of SWOT Factors

Selection of strengths, weaknesses, opportunities, and threats to the company based on observations and interviews.

2.2 The Weighting of Each Factor and Rating

Weighing each factor of strengths, weaknesses, opportunities, and threats, each totaled the multiplication result of the weight with the rating. The total strengths and weaknesses must be worth 1.00, while the total opportunity with threats must be worth 1.00. Use of the rating value 1 = not important; value 2 = less important; value 3 = important; value 4 = very important applies to the strength and opportunity factors. Meanwhile, the use of a rating of -1 = not important; value -2 = less important; value -3 = important; the value

-4 = very important applies to the weakness and threat factors. Multiplying the weight with the rating will produce the value of the total value of strengths + weaknesses and opportunities + threats.

2.3 Calculating the Total Amount of Attractiveness Value

The alternative SWOT strategy is used to determine the strategy using each total attractiveness value obtained from multiplying the weight value times the attractiveness value. The weighting of each factor of strengths, weaknesses, opportunities, and threats is totaled by the multiplication of the weight with the rating. The strengths and weaknesses in total must be worth 1.00, while the opportunities with threats in total must be worth 1.00. Meanwhile, the value of attractiveness on a scale of 1 = unattractive; scale 2 = slightly interesting; scale 3 = attractive enough and scale 4 = very attractive (9), (10). If the alternative strategy is unattractive, there is no need to score it. The higher the attractiveness value, the alternative strategy will be used in the development of a business strategy for the snail chip product

Table 1. QSPM Diagram Strategic Alternative

	Weight	Attractiveness Value		
				Sum of Attractiveness Value
		A	B	A x B
Strenght				
a….				
b….				
Weakness				
a….				
b….				
Opportunit y a….				
b…. Threat				
a….				
b….				

(Source : (11), (12),(13))

2.4 QSPM Strategy Alternative Decisions

The QSPM decision is the total value of the attractiveness from the highest to the lowest in the alternative strategies used.

2.5 Interpretation of Data Processing Results

Discussing the results of data processing clearly and leading to the objectives of the research.

2.6 Closing

The closing series is to answer the research objectives and provide suggestions for the company, future researchers, and for readers. In this research methodology chapter, a frame of mind is used to make it easier to understand the research flow (14).

3. RESULTS AND DISCUSSION

From the data collection and processing, a weight calculation is obtained, a rating with the following score results:

Table 2. Internal and External Factor Weighting and Rating Company Internal

No	Strength	Weight	Rating	Score (WxR)
1	Halal Labeled Products	0.12	2	0.24
2	Products Have Health Value	0.10	1	0.10
3	Wide Consumer Reach	0.13	2	0.26
4	Increase in Demand Volume	0.12	1	0.12
5	Superior to competitors	0.17	3	0.51
			Total (S)	1.23
No	Weakness	Weight	Rating	Score (WxR)
1	Uneven Consumer Goals	0.10	-2	-0.20
2	Product Prices are still high	0.06	-3	-0.18
3	Less than request	0.06	-3	-0.18
4	Still focusing old customers in service	0.08	-3	-0.24
5	Raw materials cannot be cultivated	0.06	-2	-0.12
	Total Internal Factor Weight	1.00	Total (W)	-0.92
	TOTAL VALUE S + W			0.31

Company External

No	Opportunity	Weight	Rating	Score (WxR)
1	Increased product needs	0.17	2	0.34
2	Lots of steamers popping up	0.12	1	0.12
3	Wholesale purchases are discounted	0.14	3	0.42
4	Many customers match the quality of the product	0.07	2	0.14
			Total (O)	1.02
No	Threat	Weight	Rating	Score (WxR)
1	Emerging competitors at below-standard prices	0.09	-2	-0.18
2	Steaming-dependent raw materials	0.11	-4	-0.44
3	Delivery schedules are often late	0.10	-4	-0.40

4	Harvest raw materials depending on the season	0.20	-4	-0.80
	Total External Factor Weight	1.00	Total (T)	-1.82
	TOTAL VALUE O + T			-0.80

(Source : processing data, 2020)

From the results of the SWOT analysis, the alternative strategy used is based on quadrant II, namely maximizing the power to reduce the threat of sales of snail chips products at PT.X (15). The SWOT results in quadrant II are in line with research conducted by Fahmi, 2015 (15). The proceed to the QSPM method with the results of the interest as follows.

Table 4. QSPM Matrix

			Strategy I		Strategy II		Strategy III	
No	Strength	Weight	ıctiveness Value	Total Attractiveness Value	ıctiveness Value	Total Attractiveness Value	ıctiveness Value	Total Attractiveness Value
1	Halal Labeled Products	0.12	2	0.24	3	0.36	3	0.72
2	Products Have Health Value	0.10	1	0.10	3	0.30	3	0.30
3	Wide Consumer Reach	0.13	4	0.52	4	0.52	2	1.04
4	Increase in Demand Volume	0.12	3	0.36	4	0.48	4	1.44
5	Superior to competitors	0.17	4	0.68	2	0.34	4	2.72
			Total (S)	1.90	Total (S)	2.00	Total (S)	6.22
No	Weakness	Weight	ıctiveness Value	Total Attractiveness Value	ıctiveness Value	Total Attractiveness Value	ıctiveness Value	Total Attractiveness Value
1	Uneven Consumer Goals	0.10	1	0.10	2	0.20	4	0.40
2	Product Prices are still high	0.06	1	0.06	2	0.12	2	0.12
3	Less than request	0.06	2	0.12	1	0.06	2	0.24
4	Still focusing old customers in service	0.08	2	0.16	1	0.08	1	0.16

5	Raw materials cannot be cultivated	0.06	4	0.24	2	0.12	1	0.24		
Total	Internal Factor Weight	1.00	Total (W)	0.68						
	TOTAL VALUE S + W			2.58	Total (S)	0.38	Total (S)	0.76		

External Company

No	Opportunity	Weight	activeness Value	Total Attractiveness Value	activeness Value	Total Attractiveness Value	activeness Value	Total Attractiveness Value
1	Increased product needs	0.17	4	0.68	4	0.68	1	0.68
2	Lots of steamers popping up	0.12	2	0.24	2	0.24	2	0.48
3	Wholesale purchases are discounted	0.14	4	0.56	4	0.56	2	1.12
4	Many customers match the quality of the product	0.07	4	0.28	4	0.28	1	0.28
			Total (O)	1.76	Total (S)	1.76	Total (S)	2.56

No	Threat	Weight	activeness Value	Total Attractiveness Value	activeness Value	Total Attractiveness Value	activeness Value	Total Attractiveness Value
1	Emerging competitors at below-standard prices	0.09	4	0.36	2	0.18	1	0.36
2	Steaming-dependent raw	0.11	1	0.11	1	0.11	1	0.11

	materials							
3	Delivery schedules are often late	0.10	2	0.20	2	0.20	1	0.20
4	Harvest raw materials depending on the season	0.20	1	0.20	1	0.20	2	0.40
Total External Factor Weight		1.00	Total (T)	0.87	Total (T)	0.69	Total (T)	1.07
	TOTAL VALUE O + T			2.63		2.45		3.63
	TOTAL VALUE S+W+O+T			5.21		2.83		4.39

(Source : Processing data, 2020)

Based on the results of the QSPM matrix, 3 alternative strategies were used which were obtained from the results of the SWOT coordinates, then weighted with the weight value equal to the weight on the SWOT, multiplied by the value of attractiveness to produce a total value of attractiveness (16). Of the three strategies, it will be used based on the order of the highest number of S + W + O + T values (17). The highest value is strategy I with a total value of 5.21 then the second strategy III with a value of 4.39 and the third is strategy II with a value of 2.83 which is summarized in the following table:

Table 5. QSPM Strategy Usage Order

Order	Alternative Strategy	Attractiveness Value (S+W+O+T)
1	Increase cooperation with new steamers to offset increased demand volume and reach consumers more widely	5,21
2	Improve quality better than competitors at affordable prices	4,39
3	Planning schedules in a timely way in the event of an increase in the volume of requests	2,83

(Source : Processing data, 2020)

Based on the results of the QSPM, the order of alternative strategies is the decision taken is to increase cooperation with new collectors to process the inventory so that it can be used if there is an increase in demand, on the other hand it also provides supplies to reach consumers outside the city and wider so that demand is met. In addition, planning is also carried out in production control(15).

Mixing quality raw materials with raw materials with quality below one high quality level, to maintain affordable prices, but not reduce product quality to below standard. Mixing of raw materials is used to get affordable prices to be marketed and to increase the loyalty of middle to lower class consumers. Because the problem of affordable prices will attract consumers if the raw material has become a snail chip product (15)

4. CONCLUSION

From the results of the discussion, the conclusion obtained in accordance with the purpose of the research is that the company's position is at the coordinates of S+T by utilizing the power of reducing threats and the sequence of strategies used that is the first strategy is to increase cooperation with new steamers to offset the increasing volume of demand and reach consumers more widely. The second is to improve the quality better than the competitors at an affordable price and the third is to plan the schedule in a timely way in case of increased demand volume.

The advice that can be given to the company is to apply alternative strategies well and conduct evaluations periodically, then for researchers can then be used as a reference to conduct research with the topic SWOT and QSPM can also add innovation to the research with the addition of statistical tests. Then for readers can be used as insight in the field of industrial management.

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