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BUSINESS DEVELOPMENT STRATEGY OF WHITE OYSTER MUSHROOM (*Pleurotus ostreatus*)

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KEYWORDS
strategy; business development; white oyster mushroom

ABSTRACT

The study aims to determine the condition of the internal environment (strengths and weaknesses) and the external environment (opportunities and threats) faced by the Oyster Mushroom Business "Ahza Tiram". The research method used is a mix method (qualitative and quantitative) with descriptive analysis supported by quantitative data with a purposive technique of determining respondents. The data used in this study are primary data and secondary data. The analytical tools used in formulating alternative strategies are the IFE Matrix, EFE Matrix, IE Matrix, SWOT Cartesian Diagram, SWOT Matrix and QSPM. The results of the study show that the biggest strength of the Oyster Mushroom Business "Ahza Tiram" is having a clear market share, while the main weakness is limited business capital. The biggest opportunity for the Oyster Mushroom Business "Ahza Oysters" is an open market opportunity, while the main threat iserratic climatic and weather conditions as well as pest attacks. Based on the results of the analysis of the IFE matrix and the EFE matrix then mapped to the IE matrix which shows The Oyster Mushroom Business "Ahza Tiram" is in cell II, meaning that the Oyster Mushroom Business "Ahza Oysters" is in a growth and build condition and the Cartesian SWOT diagram results show the company's position in quadrant I which supports an aggressive strategy. Based on the results of the SWOT analysis, six alternative strategies were obtained that could be implemented by the Oyster Mushroom Business "Ahza Oysters".

INTRODUCTION

Agriculture is a sector that is very important in supporting the Indonesian economy, especially as a provider of food for the community, as a provider of employment, producing raw materials, and as the largest source of foreign exchange for the country (Silitonga, 1996). One of the agricultural sub-sectors that makes such a significant contribution is horticulture. Based on the Directorate General of Horticulture (2017), the Ministry of Agriculture has determined 323 types of horticultural commodities consisting of 60 types of fruits, 80 types of vegetables, 66 types of biopharmaceuticals (medicinal plants) and 17 types of ornamental plants (floriculture).

Oyster mushroom is a vegetable commodity that is widely known and is one of the ingredients for consumption by the public because oyster mushrooms have a high nutritional content, which contains essential amino acids, protein, fat, minerals, and vitamins (Martawijaya and Nurjayadi, 2010), oyster mushrooms are not only used as side dishes but are widely used as other processed foods for snacks and have good benefits for health. So that mushrooms are sought after by consumers and are easy to obtain and have relatively cheap and affordable prices.In the mushroom industry, several species of mushrooms are being cultivated for commercial purposes, including the oyster mushroom which is sold in markets and easily cultivated in the lowlands (Haimid, 2013). Based on the results of the study, the current level

of oyster mushroom production is not sufficient to meet market demand (Wan Mahari et al., 2020).

White oyster mushroom is one of the edible mushrooms which is widely distributed in temperate climates. One of the areas suitable for oyster mushroom cultivation is Cirebon Regency. "Ahza Tiram" is the business name of an oyster mushroom producer located in Cirebon Regency, precisely located in Pasanggrahan Village, Plumbon District, Cirebon Regency. The market share for the oyster mushroom business "Ahza Tiram" is clear, such as going to the Sumber market, vegetable stalls, mushroom satay traders, crispy mushroom traders, households and dealers/collectors, but the production results have decreased very significantly so that it is not can meet the requests received which can be seen in Table 1.

Table 1. Production and Demand for Mushroom Business Oysters "Ahza Oysters"

Month	Production (kg)	Demand (kg)
January	326.6	350
February	311.4	350
March	297,1	350
April	274.8	350
May	257,2	400
June	236.7	400
July	207,3	450

Source: Oyster Mushroom Business "Ahza Oysters" 2022

In carrying out its business, of course it cannot be separated from various kinds of problems both internally and externally. Seeing that the market potential is still large and provides an opportunity to develop a white oyster mushroom business so that it can increase value and income for the business being run. Therefore, a strategy is needed for the "Ahza Oysters" mushroom business by looking at internal environmental aspects in the form of strengths and weaknesses and external environmental aspects in the form of opportunities and threats. If a company already knows the factors that influence the course of its business, it will certainly be easy to determine the right strategic steps to be carried out by the company.

Previous research by Mukti (2016) discussed financial analysis and strategies for developing white oyster mushroom farming in Pampangan Village, Sekin District. This study aims to analyze the financial feasibility of white oyster mushroom farming and develop a strategy for developing white oyster mushroom farming. Furthermore, Sitepu (2020) discusses the strategy for developing the white oyster mushroom market in Medan Tuntungan District. This study used SWOT analysis consisting of internal and external factors. Such previous research can provide better information and understanding of white oyster mushroom business development strategies.

The aims of the study are: (1) To find out the condition of the internal environment (strengths and weaknesses) and the external environment (opportunities and threats), (2) To find out alternative business development strategies, and (3) To find out the priority strategies business development that can be applied in the Oyster Mushroom Business.

RESEARCH METHOD

This research was conducted at the Oyster Mushroom business "Ahza Tiram" located in Pasanggrahan Village, Plumbon District, Cirebon Regency. This research was conducted from January to March 2023. The research design used in this study was a mixed method research (qualitative and quantitative) with descriptive analysis supported by quantitative data. This research technique uses survey techniques.

Sampling in this study was carried out purposively. Respondents were selected with the consideration that these respondents were people who really knew the condition of the "Ahza Oysters" Mushroom Business, both the internal and external environment as well as the determinants of making business decisions. Respondents in this study were thirteen people consisting of six internal respondents and seven external respondents. Internal respondents include business owners, production employees, marketing employees. While external respondents included the Cirebon Regency Agriculture Office, Cirebon Regency Cooperative and MSME Office, Cirebon Regency Industry and Trade Office, raw material suppliers, collectors, competitors and consumers. The data used in this research are two types of data, primary data and secondary data. Primary data collection methods are carried out by means of observation, interviews and questionnaires. Meanwhile, to obtain secondary data obtained from related agencies and literature related to this research.

Data analysis was carried out through descriptive analysis and analysis of the three stages of strategy formulation. Descriptive analysis is used to determine the company's environment in the form of strengths, weaknesses, opportunities and threats (Rangkuti, 2015). While the analysis of the three stages of strategy formulation, namely: The first stage is the input stage which in this study uses the Internal Factor Evaluation (IFE) matrix analysis and the External Factor Evaluation (EFE) matrix. The next process is the matching stage.the matching stage can use Internal External (IE) matrix analysis, SWOT Cartesian diagrams and SWOT (Strength-Weakness-Opportunity-Threat) matrix analysis. The final stage uses Quantitative Strategy Planning Matrix (QSPM) analysis to determine strategic priorities.

RESULTS AND DISCUSSION

Table 2. Identification of the Strengths and Weaknesses of the "Ahza Oysters" Oyster Mushroom Business

No	Internal factors	Strength	Weakness
1	Management	• Communication between business owners and employees is well established	• Poor business management
2	Marketing	• Producing quality oyster mushrooms • Affordable prices • Strategic business location • Have a clear market share • Provide good service to consumers	• The promotion has not been optimal
3	Finance		• Simple financial record keeping • Limited venture capital
4	Production and Operations	• The mushroom building (kumbung) is adequate	• The technology used is still simple • Production capacity is not optimal

Table 3. Identification of Opportunity and Threat Factors in the Oyster Mushroom Business "Ahza Oysters"

No	External Factors	Opportunity	Threat
1	Government policy	• The existence of the KUR (People's Business Credit) program	
2	Economy	• People's purchasing power is quite good	
3	Social, Culture and Demographics	• Open market opportunities • Increase in population • Favorable geographic conditions	• Erratic climate and weather conditions as well as pest attacks
4	Technology	• Technology and information systems are growing	
5	Competitor		• Similar business competition • Entry of new competitors
6	Supplier Raw material	• Continuity of supply of raw materials	

Strategy Formulation

Input Stage

Table 4. Internal Factor Evaluation (IFE) Matrix Analysis

No	Internal factors	Weight	Ratings	Weight x Rating (Score)
Strength				
1	Communication between business owners and employees is well established	0.071	3,167	0.223
2	Producing quality oyster mushrooms	0.079	3,833	0.303
3	Affordable prices	0.080	3,333	0.265
4	Strategic business location	0.071	3,333	0.235
5	Have a clear market share	0.089	3,667	0.325
6	Provide good service to consumers	0.086	3,500	0.301
7	The mushroom building (kumbung) is adequate	0.074	3,833	0.283
	Total Strength Factor			**1,935**
Weakness				
1	Poor business management	0.068	1,833	0.125
2	The promotion has not been optimal	0.066	1,500	0.099
3	Simple financial record keeping	0.069	1,333	0.093
4	Limited venture capital	0.092	1,500	0.139
5	Production capacity is not optimal	0.083	1,500	0.125
6	The technology used is still simple	0.073	1,667	0.121
	Total Weakness Factors			**0.701**
	TOTAL			**2,637**

The results of the IFE matrix analysis for strengths and weaknesses obtained a total score of 2.637, this shows that the Oyster Mushroom Business "Ahza Tiram" is above the average (2.5). The total score of 2.637 indicates that this business has a strong internal position because it is able to use existing strengths to minimize its weaknesses. This is in line with the opinion of David (2016), who said that if the total IFE Matrix score is above 2.5 it indicates that the organization has a strong internal position. The most important characteristic of a food product to consider is its product quality, maintaining product quality depending on environmental and storage conditions (Van Donk, DP, Akkerman, R., Van der Vaart, T., 2008). Product quality is directly related to product attributes, namely integrity, safety and shelf life (Triekens, J. and Zuurbier, 2008). Parilli, MD, and Elola (2011) concluded competitiveness is ensured by innovation and product quality improvement.

The pricing strategy includes static and dynamic pricing throughout the planning period, but dynamic pricing will cause a reaction for consumers to delay the time of purchase, so producers should choose static pricing because consumers will choose affordable product prices (Lu, J., Zhang, J. and Zhang, 2018). For food products that are easily damaged when there is a decrease in product quality, it is better to reduce the price (Wang, X., Fan, ZP and Liu, 2016).

Baldwin, JR, and Johnson (1996) concluded that there is a significant impact of innovation on various measures of business performance, including market share and profits. Market orientation consists of three components, namely customer orientation, customer needs and desires and competitor orientation (understanding the strengths and weaknesses of competitors) (Narver, JC, and Slater, 1990). While Wang, CH., Chen, KY., and Chen (2011) concluded market-oriented companies have proven successful in maintaining strong competition.

Customer evaluation of service quality is very important for companies that aim to improve marketing strategies (Cronin, JJ and Taylor, 1992). Companies that provide superior service quality also have a more satisfied customer base (Gilbert et al., 2004). More and more companies are driven to assess and improve the quality of their services in an effort to attract customers (Gilbert, GR and Veloutsou, 2006). Consumers consider convenience, product price, fast service, location and cleanliness (Johns and Pine, 2002). Promotion plays an important role in consumer purchasing decisions (Neha and Manoj, 2013). Research result (Andreti et al., 2013) concluded that most customers visit a store because of the affordable prices offered, the types of promotions, and the quality of service.

IFE matrix analysis produces a cumulative index value for the strength element of 1,935, while for the element of weakness a score of 0.701 is obtained. This shows that respondents gave a high response to strengths and a small response to weaknesses.

Table 5. External Factor Evaluation (EFE) Matrix Analysis

No	External Factors	Weight	Ratings	Weight x Rating (Score)
Opportunity				
1	The existence of the KUR (People's Business Credit) program	0.111	3,615	0.400
2	People's purchasing power is quite good	0.107	3,000	0.321
3	Open market opportunities	0.108	3,308	0.356
4	Increase in population	0.093	2,692	0.250
5	Favorable geographic conditions	0.105	3,615	0.380
6	Technology and information systems are growing	0.102	2,846	0.291
7	Continuity of supply of raw materials	0.107	3,615	0.388
Total Opportunity Factor				**2,385**
Threat				
1	Erratic climate and weather conditions as well as pest attacks	0.103	2,308	0.238
2	Similar business competition	0.080	2,692	0.216
3	Entry of new competitors	0.084	2,538	0.214
Total Threat Factors				**0.668**
TOTAL				**3,053**

The results of the EFE matrix analysis for opportunities and threats obtained a total score of 3.053, this shows that the Oyster Mushroom Business "Ahza Tiram" is above the average

(2.5). The total score of 3.053 indicates that this business is able to take advantage of existing opportunities and overcome threats well. This is in line with the opinion of David (2016), who said that if the total EFE Matrix score is above 2.5 it indicates the organization is responding well to the opportunities and threats that exist.

EFE matrix analysis produces a cumulative index value for the opportunity element of 2.385, while for the threat element a score of 0.668 is obtained. This shows that respondents gave a high response to opportunities and a small response to threats.

People's purchasing power refers to the value that will be reflected in money, which is expressed when buying a number of goods with their income over a certain period of time. Higher purchasing power depends on higher real income because real income refers to inflation-adjusted income. Inflation reduces the ability of consumers to buy a number of goods or services because of its impact on the price level. Therefore, the relationship between inflation and purchasing power is an inverse correlation (Bahmani et al., 2017). Small business owners are rarely able to compete effectively with larger businesses (Ambastha, A. & Momaya, 2004), therefore business owners must have a competitive advantage. developing a competitive advantage centered on three components, namely competitive advantage must be able to generate customer value, customer value can be determined by lower prices, fast delivery, good service and increased product value (Winer, 2004).

Matching Stage

Internal-External (IE) Matrix Analysis

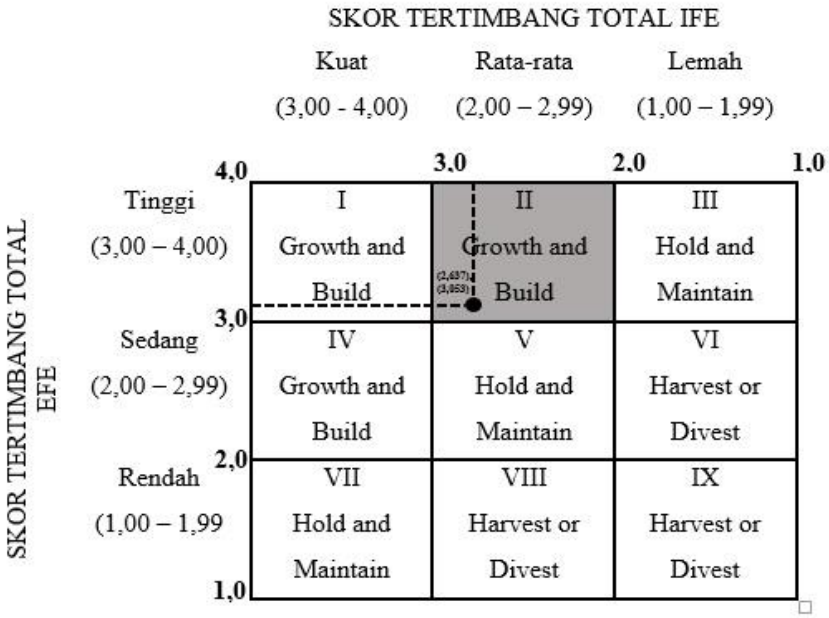

Figure 1. IE matrix

Based on the IE matrix above, it shows that the total score of the IFE matrix and the EFE matrix places the Oyster Mushroom Business "Ahza Oysters" in cell II (two). This illustrates that the position of the Oyster Mushroom Business "Ahza Tiram" is in an average internal position and the response to external factors is high.

The position in cell II illustrates that the Oyster Mushroom Business "Ahza Oysters" is in a growth and build position. According to David (2016), the strategy that can be implemented is an intensive or integrative strategy

Cartesian SWOT diagram

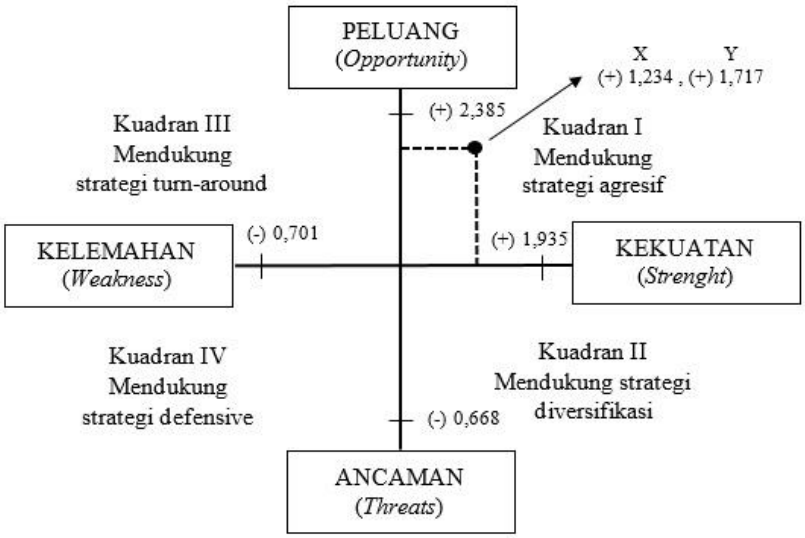

Figure 2. SWOT Diagram

Based on the picture above, it shows that the value of the Oyster Mushroom Business strategy "Ahza Oysters" is located at coordinates (x) 1.234 and (y) 1.717. Then it can be seen that the condition of the Oyster Mushroom Business "Ahza Oysters" is in quadrant I, namely an aggressive strategy, meaning that this shows a very profitable situation.

The company has opportunities and strengths so that it can use strengths to take advantage of existing opportunities to determine the right strategy. According to Rangkuti (2015), the strategy that must be implemented in this condition is to support an aggressive growth policy (growth-oriented strategy).

SWOT Matrix Analysis

	Strength (S)	**Weakness (W)**
Internals factors	1. Communication between business owners and employees is good 2. Producing quality oyster mushrooms 3. Affordable prices 4. Strategic business location 5. Have a clear market share 6. Provide good service to consumers 7. The mushroom building (kumbung) is adequate	1. Poor business management 2. The promotion has not been optimal 3. Simple financial record keeping 4. Limited venture capital 5. Production capacity is not optimal 6. The technology used is still simple
External Factors		

Chance (O) 1. The existence of the KUR (People's Business Credit) program 2. People's purchasing power is quite good 3. Open market opportunities 4. Increase in population 5. Favorable geographic conditions 6. Technology and information systems are growing 7. Continuity of supply of raw materials	S–O strategy 1. Maintain and improve product quality and service to customers (S1, S2, S3, S5, S6, S7, O2, O3, O4, O5, O7)	W–O strategy 1. Increasing production capacity (W5, O1, O2,O3, O4, O5, O7) 2. Increase the promotion of white oyster mushrooms (W2, O2, O3, O4, O6) 3. Utilizing government programs to increase capital and business performance (W4, W6, O1, O6)
Threat (T) 1. Erratic climate and weather conditions as well as pest attacks 2. Similar business competition 3. Entry of new competitors	S–T Strategy Establish partnership cooperation (S2, S4, T1, T2, T3)	W–T strategy Improve business management (W1, W3, T2, T3)

Decision Stage

The sequence of priorities for the development strategy for the oyster mushroom business "Ahza Oysters" is as follows:

1) Utilizing government programs to increase capital and business performance (TAS = 6.271)
2) Increasing production capacity (TAS = 6.225)
3) Maintain and improve the quality of products and services to customers (TAS = 6.132)
4) Improve business management (TAS = 6.113)
5) Establish partnership cooperation (TAS = 6.035)
6) Increasing the promotion of white oyster mushrooms (TAS = 6.019)

Based on the results of the QSPM analysis, the highest strategic priority is to utilize government programs to increase capital and business performance with a TAS value of 6.271. Whereas the lowest priority strategy is to increase the promotion of white oyster mushrooms with a TAS value of 6.019.

According to Claude S. George, Jr. in Hasan (2004), the decision-making process is carried out by most managers in the form of an awareness, thought activity which includes consideration, assessment and selection among a number of alternatives. The results of the QSPM analysis, the main priority of several alternative strategies that must be carried out by the Oyster Mushroom Business "Ahza Tiram" is by utilizing government programs to increase capital and business performance. Thus, the acquisition of business capital is expected to increase production capacity and expedite production activities by purchasing raw materials or planting media and being able to purchase or use more modern technologies such as autoclaves for the sterilization process and baglog mixer machines for mixing raw materials. This is done in order to meet the demand for incoming oyster mushrooms and is expected to provide more benefits for the Oyster Mushroom Business "Ahza Oysters". The profits obtained can be utilized for further business development on a larger business scale.

CONCLUSION

Internal environmental factors and external environmental factors of the "Ahza Oysters" Mushroom Business are as follows: (a) the internal factors of the Oyster Mushroom Business "Ahza Oysters" consist of strengths and weaknesses. The strengths include: (1) Good communication between business owners and employees, (2) Producing quality oyster mushrooms, (3) Affordable prices, (4) Strategic business location, (5) Having a clear market share, (6) Providing good service to consumers, (7) Adequate mushroom building (kumbung). While the weaknesses include: (1) Business management is not good, (2) Promotions are not optimal, (3) Simple financial records, (4) Limited working capital. (5) Production capacity is not optimal, (6) The technology used is still simple, and (b) external factors of the Oyster Mushroom Business "Ahza Oysters" consist of opportunities and threats. Opportunities faced include: (1) The existence of the KUR (People's Business Credit) program, (2) Public purchasing power is sufficient, (3) Open market opportunities, (4) Increasing population, (5) Supporting geographic conditions, (6) Technology and information systems that are increasingly developing, (7) Continuity of supply of raw materials. While the threats faced include: (1) Uncertain climate and weather conditions and pest attacks, (2) Competition in similar businesses, (3) Entry of new competitors.

Alternative business development strategies that can be applied in the Oyster Mushroom Business "Ahza Tiram" based on an analysis of internal and external factors using the SWOT matrix, six alternative strategies are obtained that can be applied, namely (1) maintain and improve the quality of products and services to customers, (2) increase production capacity, (3) increasing the promotion of white oyster mushrooms, (4) utilizing government programs to increase capital and business performance, (5) establish partnerships, and (6) improve business management.

The priority business development strategy that can be implemented by the Oyster Mushroom Business "Ahza Tiram" based on the QSPM analysis is to utilize government programs to increase capital and business performance with a TAS value of 6.271.

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