

STRATEGIC FORMULATION ANALYSIS OF BUSINESS DEVELOPMENT OF PT SANGYO JAYA ABADI (A SUBSIDIARY OF PT KUROSHIO JAYA ABADI)

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ABSTRACT

Background– PT Sangyo Jaya Abadi (SJA) is a subsidiary of PT Kuroshio Jaya Abadi (KJA) that uses Computer Numerical Control (CNC) machines and Digital Tracking of Production as its business development. The main purpose of the establishment of PT SJA is to make the company more focused, facilitate proper planning, and create efficiency in controlling future operational activities, as well as create a brand image by expanding market share and improvement in facing the Industrial Revolution 4.0. PT SJA produces parts and tools needed by the manufacturing industry, by orders from the customer or orders from PT KJA and works on direct requests from automotive companies and other oil and gas companies. Besides, SJA also performs machine maintenance and repair parts and tools.

Method – Using Value Proposition Canvas, EFE, IFE, VRIO, CPM, SWOT, IE, QSPM, Porter's Generic Strategy and Lean Business Canvas Model.

Result – This analytical method helps in determining the right business strategy for PT. Sangyo Jaya Abadi

Keywords: *Computer Numerical Control (CNC), Digital Tracking of Production, parts and tools EFE, IFE, VRIO, CPM, SWOT, IE, QSPM, Porter's Generic Strategy and Lean Business Canvas Model*

I. INTRODUCTION

In Indonesia, the manufacturing industry is growing rapidly, especially the automotive industry, as well as the oil and gas industry. FDI investment data in the manufacturing industry sector, January – June 2021, the motor vehicle industry reached (USD 839.7 million, 10.1%). With the increasing growth of the automotive industry sector, it will affect the increasing demand for industrial parts and tools. The obstacle in finding parts and tools is that they are not sold in the market so they have to buy directly from the machine manufacturer or machining company. Parts and tools ordered from machine manufacturers usually take a long time to produce and have high costs. Sometimes customers complain that the costs incurred do not match the results of the desired parts and tools such as the results made by machining companies.

PT. Kuroshio Jaya Abadi has long been engaged in machining, but still uses conventional machines: lathe, milling, cylindrical grinding, and surface grinding. In facing future challenges where customers require punctuality and quality with high standards, PT KJA innovates to develop its business by creating PT Sangyo Jaya Abadi.

PT SJA comes with Computer Numerical Control (CNC) machine, answering the needs of the manufacturing industry in the future. With the Digital Tracking of Production in it, PT SJA provides more benefit for customers. Web-based technology information to monitor the production process that can be accessed by customers. PT SJA also performs maintenance on production machines from several companies, and works on repair parts.

II. MATERIALS AND METHODS

Identify Problems and Opportunities

Job to Be Done

The growth of the automotive industry sector in Indonesia is in line with the growth of automotive production. In every industrial growth, of course, the presence of increasingly varied industrial machines is very important to facilitate production. This also affects the need for industrial machine parts and tools; to keep the production process running well, a good production machine is needed. One of the inhibiting factors for smooth production is the unavailability of parts and tools. If there is damage to the production machine, it will cause a longer production time and will harm the company in terms of finances. By using the method of fabrication parts and tools, it can be made according to the needs of industrial machines, through the machining process, forming parts and tools, which is started from raw materials to parts and tools needed.

Customer Pain

With the increasing growth of the automotive industry sector, the need for industrial parts and tools has also increased. When a production machine is damaged, or requires new parts and tools to complete a new production machine, one of the obstacles in finding parts and tools is the type of parts and tools that are not sold in the market, so you have to buy them directly from the machine manufacturer. Meanwhile, the machine manufacturers are located outside of Indonesia, thus, it takes a long time, and have significant costs. Making industrial parts and tools requires 2D or 3D drawings from the engineering team that are custom-made with emphasis on time and cost, while parts and tools made to order usually take a long time to produce and require high costs. Customers complain that the costs incurred do not match the results of the desired parts and tools, the limited variety of parts and tools made and the results of parts and tools being inaccurate.

Customer Gain

When ordering industrial parts and tools, customers have various hopes and desires, namely getting the desired delivery time so that the production process runs on time, effectively and efficiently. Customers expect the desired parts and tools products at competitive prices and customers expect convenience in knowing how far the production process for the parts and tools they ordered has in order to maintain a smooth production time, which can affect the customer's company in financial terms.

Business Solutions**Pain Relief**

Pain reliever is the next step in how the product/service relieves and overcomes customers pain that has been identified previously. It focuses on how the company will relieve or eliminate the pain felt by the customers before, during and after the customers do the job.

Our company focuses on how products/services that can answer customers pain by adding the latest equipment (automation) that can affect the variety of parts and tools. The results are ensured to be accurate and precise according to the customers' wishes, as well as increasing the capacity of modern computerized machines, which can reduce costs by reducing manpower because it uses less human power.

Gain Creator

Gain Creator is the next step on how the product/service creates customer gain. By providing changes to meet customers' expectations and desires or by providing surprises that exceed customers expectations.

Our company provides solutions by adding a production line that can provide parts and tools as desired by consumers quickly, precisely and accurately. Moreover, our company digitizes the production process for convenience in monitoring the stages of the production process anytime and anywhere. Then our company also built a raw material warehouse, which is a raw material storage place that can reduce production costs by getting lower raw material prices, optimizing production processes, increasing productivity and efficiency as well as improving time management and resource use. Hence, our products have competitive price.

Products/Services

PT KJA is here to meet the demands of the manufacturing market which is required to be able to work on large quantities of parts and tools in a short time with high accuracy and precision. We develop our company business by establishing a subsidiary company named PT SJA using a Computer Numerical Control (CNC) machine which is parts and tools production machine that is operated by programmed commands. In contrast to other conventional machines, the machine operator is still controlled by the machine operator to decide and determine several parameters, such as cutting speed, spindle speed, cutting depth manually by hand. Computer Numerical Control (CNC) machines, especially CNC milling machines produce parts and tools in relatively fast quantities and make parts and tools shapes with accurate precision. If using conventional machines it will be difficult to meet these challenges, because the results, quality and quantity of production are not possible other than using CNC machines. The operation of the CNC machine is set once at the start of work and then the movement of the machine is set automatically by the computer and can be repeated as desired. Digital manufacturing has been considered, over the last decade, as a very promising set of technologies to reduce product development time and costs as well as to address the need for customization, product quality improvement, and faster response to the market (Prabangkara et al. 2021).

Our company adds a Digital Tracking of Production facility, which is a website that provides information regarding the production stage being carried out. This is done to make it easier for the customers to obtain production information in real time. This website will track the position of the production flow carried out in the form of a timeline. By using this Digital Tracking of Production, the customers will feel safe because they already know where the production of parts and tools has been done.

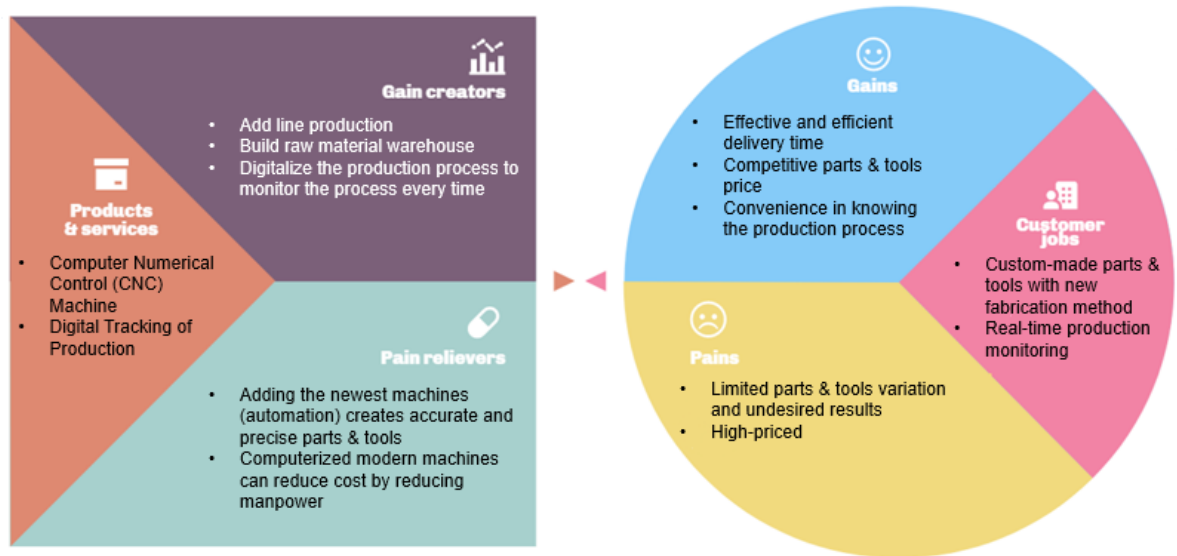


Figure 1 *Value Proposition Canvas*
Source: Author, 2022

External Factor

In the external analysis, Porter’s Five Forces model and PEST analysis were used. Porter's analysis is used to determine the environmental conditions surrounding the business of five forces, they are as follows; product development potential, substitute products, supplier power, buyer power, and competition between companies. PEST analysis consists of political, economic, social and technological. The analysis examines the impact of each factor on the business(Subhan et al. 2022).

Internal Factor

The framework from internal factors are analysis of demand, analysis of competition, then resources and capabilities, then the competitive advantage obtained from PT SJA, so that weaknesses and strengths can be identified. According to Robert M. Grand (2016: 84), in order to survive and thrive in an industry, companies must be able to meet two criteria; must be able to know the needs of customers (who our customers are, and what they need), and secondly must be able to survive in the competition. It is important to be able to distinguish between company resources and company capabilities. According to Setiyawati et al. (2021), resources are productive assets owned by companies, while capabilities are things that companies can do. The activity of building competitive strength through the development of resources and capabilities is the main strategy in facing competition. The results of the analysis are needed to identify the strengths and weaknesses of the business.

Strategic Plan

In planning the company’s strategy, the first thing to do is to create a vision and mission, and then enter the three stages of analysis, they are; the Input Stage, Matching Stage and Decision Stage.

III. DISCUSSION

Internal Factor Analysis

In building the machining industry so that it can support manufacturing industries, internal factor analysis is very necessary in order to run well and be able to become a winner in the competition and be sustainable. Internal analysis consists of what resources and capabilities the company has and needs. The resource assessments are: 1) Locations, 2) Technology, 3) Reputation, 4) Culture, 5) Finance, while the capabilities possessed are 1) Product Quality Management, 2) Human Capital Management strategy, 3) Marketing and Sales, 4) Skills/ Know How, 5) Capacity for Communication and Collaboration, 6) Motivation.

Competitive Advantage (VRIO)

Then carried out the analysis of competitive advantage with analysis (VRIO). From the results of the analysis obtained an analysis as shown in the following table.

Table 1 PT Sangyo Jaya Abadi VRIO Analysis

Company Capability	Values? (V)	Rare? (R)	Inimitate? (I)	Organized? (O)	Implications for Competition
Location	Yes	Yes	-	Yes	Temporary competitive advantage
Reputation	Yes	-	-	Yes	Temporary competitive advantage
Finance	Yes	-	Yes	Yes	Competitive Parity
Product Quality Management	Yes	Yes	Yes	Yes	Competitive advantage sustainable
Skills/Know How	Yes	Yes	Yes	Yes	Competitive advantage sustainable
Capacity for Communication and Collaboration	Yes	Yes	-	Yes	Temporary competitive advantage

Source: Author, 2022

Based on the IFE matrix data, PT SJA got a total score of 3,000. This indicates that PT SJA has a total score above the average of 2.50, indicating that PT SJA responds well to strengths and weaknesses.

Table 2 Internal Factor Evaluation (IFE) PT Sangyo Jaya Abadi

Key Internal Factor		Weight	Rating	Weighted Score
Strength				
1	<i>Location</i> , being in an industrial area, which is close to the target market is a strategy to make it easier for the consumers to get products/services	0.100	4	0.400
2	<i>Reputation</i> , producing strong customer loyalty, a strong influence from the main company that has been running so far	0.120	4	0.480
3	<i>Finance</i> , with competitive product selling prices, with financial support from the parent company and financiers.	0.080	3	0.240
4	<i>Product Quality Management</i> , designing quality planning and implementation, quality assurance, quality control and quality improvement.	0.110	4	0.440
5	<i>Skills/Know How</i> , having employees who are skilled in the <i>machining industry</i> and meet the specified competency standards	0.120	4	0.480
6	<i>Capacity for Communication and Collaboration</i> , deepening working relationships and builds the capacity of all partners	0.110	3	0.330
Weakness				
1	<i>Culture</i> , Work culture and work ethic to increase employee productivity	0.090	2	0.180
2	<i>Human Capital Management strategy</i> , requiring <i>People Development Analyst Program</i> for employees, in order to design and implement employee competency development programs.	0.090	1	0.090
3	<i>Marketing and Sales</i> , having consumers who want products that fit within their budget.	0.080	2	0.160
4	<i>Technology</i> - The main company still uses conventional machines so that in the production process and work results, it is difficult to adjust to the demands of <i>customers' wishes</i> . - The main company does not have <i>tracking</i> in the process and results of its production.	0.100	2	0.200
Total		1,000		3,000

Source: Author, 2022

External Factor Analysis

For a business to be built or developed, it is important to analyse the business environment. We can find out how the current conditions are and will occur in our business environment by looking at external factors. External factor analysis that can be done includes Competitive Forces analysis, PEST analysis, and EFE (External Factor Evaluation). External factors can be concluded in the form of Opportunity (O) and Threat (T).

Competitive Forces

There are five strengths of Porter to be analysed; they are Threat of New Entrants, Bargaining Power of Buyers, Threat of Substitute Products, Bargaining Power of Suppliers, and Rivalry among Existing Firms (Porter, 2008). In carrying out Porter's Five Forces analysis, it is done by assigning a weight and index to each factor of the five forces. The results of the weights and indices are multiplied and the results are added. After

getting a total score of five forces, then these values are averaged to get the total average value of Porter’s Five Forces.

Table 3 Total Value of Porter's Five Forces PT SJA

Forces	Mark
<i>Threat of New Entrants</i>	2, 3
<i>Bargaining Power of Buyers</i>	2.6
<i>Bargaining Power of Suppliers</i>	2, 0
<i>Rivalry Among Existing Firms</i>	2.7
<i>Threat of Substitute Product</i>	2,3
Total Average Score	2,38

Source: Author, 2022

Based on the results of the discussion of *Porter’s Five Forces*, the total average value is 2.38. From the total average value, it can be concluded that the competitive strength of this industry is high. PT SJA has a high level of competition and is very competitive, for that the strategy that can be done is to expand demand or strengthen the level of product differentiation by improving and maintaining product or service quality with the best price for targets a large market. PT SJA can also do good marketing and receive suggestions from customers without changing its existing quality standards.

And below is a spider diagram from the calculation results of *Porter’s Five Forces* PT SJA.

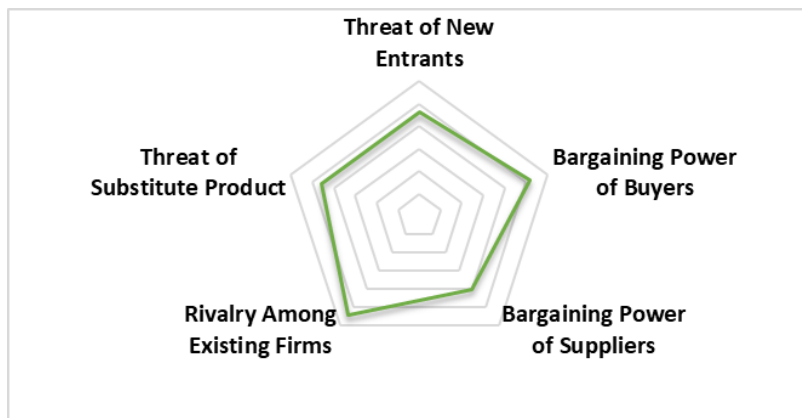


Figure 2 Spider Porter's Five Diagrams Forces PT Sangyo Abadi Jaya

Source: Author, 2022

PEST

The analysis of the other external factors includes analysing political, economic, social and technological factors. These factors are important to analyse in determining which business decisions will be made for the better. Based on the EFE matrix data, PT SJA got a total score of 3.020. This indicates that PT SJA has a total score above the average of 2.50, indicating that PT SJA responds well to opportunities and threats.

Table 4 External Factor Evaluation (EFE) PT SJA

Key External Factor	Weight	Rating	Weighted Score
Opportunity			
1 Easy industrial business licensing	0.080	4	0.320
2 Government support for industrial development	0.080	4	0.320
3 Getting Tax Incentive help	0.080	3	0.240
4 The increase in car sales by 758.68 percent	0.100	4	0.400
5 Demography bonus	0.060	4	0.240
6 Government program to reduce unemployment	0.060	4	0.240
7 Improvement of employee skill, such as new technology and services.	0.110	4	0.440

Key External Factor		Weight	Rating	Weighted Score
Threat				
1	The decline in manufacturing PMI due to the implementation of CARE (Community Activities Restrictions Enforcement)	0.070	2	0.140
2	Political instability and legal certainty	0.060	2	0.120
3	The increase of exchange rate of foreign currencies against rupiah	0.070	2	0.140
4	Global economic slowdown	0.040	1	0.040
5	Productivity and quality of human resources are still low	0.060	2	0.120
6	Potential complaints from the local community	0.050	2	0.100
7	The raw material processing technology in Indonesia is not yet available, so it is still imported	0.080	2	0.160
Total		1.00		3,020

Source: Author, 2022

The Input Stage

Competitive Profile Matrix (CPM)

The result of the Competitive Profile Matrix data shows that in terms of product quality, user satisfaction, and marketing management factors, PT SJA is able to compete with the competitors. Meanwhile, in terms of global expansion and technology, it is still lacking.

Table 5 Critical Success Factor (CPM)

		PT Sangyo Jaya Abadi		PT Fuji Ironwork Technology		PT Horiguchi Engineering Indonesia	
Critical Success Factor	Weight	Rating	Score	Rating	Score	Rating	Score
Technology	0.22	4	0.88	3	0.66	2	0.44
Location	0.17	3	0.51	4	0.68	4	0.68
Finance	0.17	3	0.51	4	0.68	4	0.68
Marketing and Sales	0.15	3	0.45	3	0.45	3	0.45
Reputation	0.12	2	0.24	4	0.48	2	0.24
Skills	0.17	3	0.51	2	0.34	2	0.34
Total	1		3.10		3.29		2.83

Source: Author, 2022

So based on the CPM analysis above, it can be seen that PT SJA is higher than PT Horiguchi Engineering Indonesia but lower than PT Fuji Ironwork Technology with a difference that is not too big between the two companies. This difference is due to PT SJA which is still a machining precision parts company that emphasizes technology and skills with automation, more modern machines.

IE MATRIX

Internal-External is useful for positioning a strategy into a matrix consisting of nine boxes. The IE Matrix consists of two dimensions, the total score of IFE on the X axis and the total score of EFE on the Y axis. The figure below is the result of the matrix from PT SJA.

The Growth Strategy is designed to achieve growth, both in sales, assets, profits, or in a combination of the three. This can be achieved by lowering prices, developing new automation machines, increasing product or service quality, or increasing access to a is obtained IFE of 3,000 and EFE of 3,020 then PT SJA is in the first cell matrix, thus the strategy used is hold and maintenance, the growth strategy. From this strategy, PT Sangyo Jaya Abadi uses the main strategies of market penetration, market development and alternative strategies product development.

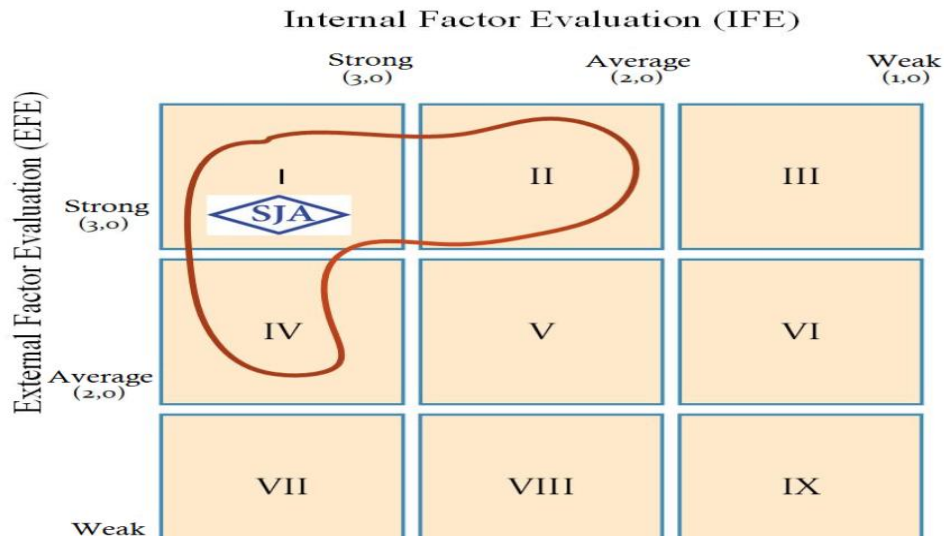


Figure 3IE Matrix
Source: Author, 2022

The Matching Stage

Matching stage uses the Strength, Weakness, Opportunity and Threat analysis methods called SWOT. SWOT analysis can be used to understand the company’s business mechanisms so that conditions are better as well as competitive for the company’s strengths and prevention (Syah et al. 2019). This SWOT analysis includes the company’s internal factors, which will produce a company profile as well as understand and identify the company’s weaknesses and strengths. These weaknesses and strengths will then be compared with extreme threats and opportunities as a basis for generating options or alternative strategies.

Table 6 SWOT Matrix

	Strength	Weakness
SO, WO, ST and WT strategy	1 <i>Location</i> , being in an industrial area, which is close to the target market is a strategy to make it easier for the consumers to get products/services	1 <i>Culture</i> , Work culture and work ethic to increase employee productivity
	2 <i>Reputation</i> , producing strong customer loyalty, a strong influence from the main company that has been running so far	2 <i>Human Capital Management strategy</i> , requiring People Development Analyst Program for employees, in order to design and implement employee competency development programs.
	3 <i>Finance</i> , with competitive product selling prices, with financial support from the parent company and financiers.	3 <i>Marketing and Sales</i> , having consumers who want products that fit within their budget.
	4 <i>Product Quality Management</i> , designing quality planning and implementation, quality assurance, quality control and quality improvement.	4 <i>Technology</i> - The main company still uses conventional machines so that in the production process and work results, it is difficult to adjust to the demands of customers' wishes. - The main company does not have tracking in the process and results of its production.
	5 <i>Skills/Know How</i> , having employees who are skilled in the machining industry and meet the specified competency standards	
	6 <i>Capacity for Communication and Collaboration</i> , deepening working relationships and builds the capacity of all partners	

Opportunity		SO Strategy	WO Strategy
1	Easy industrial business licensing	1. Increase activity and sales, especially in the automotive and oil and gas industry markets (S2, S4 – O3, O4, O7) 2. Computer numerical control (CNC) machines (S4, O3, O7)	1. Carry out market and production strategies (W1, W3 – O1, O2, O3, O7) 2. Adding/expanding new workshops (W2, W4 – O1, O2, O6)
2	Government support for industrial development		
3	Getting Tax Incentive help		
4	The increase in car sales by 758.68 percent		
5	Demography bonus		
6	Government program to reduce unemployment		
7	Improvement of employee skill, such as new technology and services.		
Threat		ST Strategy	WT Strategy
1	The decline in manufacturing PMI due to the implementation of CARE (Community Activities Restrictions Enforcement)	1. Computer Numerical Control (CNC) Machine (S3,T5) 2. Digital tracking production (S5,S6,T3)	1. Improve company competence and carry out cost down (W1,W2,T3) 2. Maintaining good relations with automotive and oil and gas companies (W3,T7)
2	Political instability and legal certainty		
3	The increase of exchange rate of foreign currencies against rupiah		
4	Global economic slowdown		
5	Productivity and quality of human resources are still low		
6	Potential complaints from the local community		
7	The raw material processing technology in Indonesia is not yet available, so it is still imported		

Source: Author, 2022

The Decision Stage

Quantitative Strategic Planning Matrix or QSPM Analysis is an analytical tool to choose the strategy based on the attractiveness of strategic alternatives (Ismail et al. 2022). QSPM calculation is based on the input from internal external matrix weights, as well as alternative strategies at the matching stage.

The QSPM analysis for the strategy that will be carried out by PT SJA can be seen in the QSPM analysis table below:

Table 7 QSPM (Quantitative Strategic Planning Matrix)

Key Factors	Weight	CNC Machines and Digital Tracking of Production		Acquire Similar Companies		
		AS	TAS	AS	TAS	
A. Opportunities						
1	Easy industrial business licensing	0.040	4	0.160	4	0.160
2	Government support for industrial development	0.040	4	0.160	4	0.160
3	Getting Tax Incentive help	0.040	3	0.120	3	0.120
4	The increase in car sales by 758.68 percent	0.050	4	0.200	4	0.200
5	Demography bonus	0.030	4	0.120	4	0.120
6	Government program to reduce unemployment	0.030	4	0.120	4	0.120
7	Improvement of employee skill	0.055	4	0.220	3	0.165

Key Factors		Weight	CNC Machines and Digital Tracking of Production		Acquire Similar Companies	
			AS	TAS	AS	TAS
B. Threat						
1	The decline in manufacturing PMI due to the implementation of CARE (Community Activities Restrictions Enforcement)	0.035	2	0.070	2	0.070
2	Political instability and legal certainty	0.030	2	0.060	2	0.060
3	The increase of exchange rate of foreign currencies against rupiah	0.035	2	0.070	2	0.070
4	Global economic slowdown	0.020	1	0.020	1	0.020
5	Productivity and quality of human resources are still low	0.030	2	0.060	2	0.060
6	Potential complaints from the local community	0.025	2	0.050	2	0.050
7	The raw material processing technology in Indonesia is not yet available, so it is still imported	0.040	2	0.080	2	0.080
C. Strength						
1	<i>Location</i> , being in an industrial area, which is close to the target market is a strategy to make it easier for the consumers to get products/services	0.045	4	0.180	3	0.135
2	<i>Reputation</i> , producing strong customer loyalty, a strong influence from the main company that has been running so far	0.040	3	0.120	4	0.160
3	<i>Finance</i> , with competitive product selling prices, with financial support from the parent company and financiers.	0.040	3	0.120	2	0.080
4	<i>Product Quality Management</i> , designing quality planning and implementation, quality assurance, quality control and quality improvement.	0.060	3	0.180	3	0.180
5	<i>Skills/Know How</i> , having employees who are skilled in the machining industry and meet the specified competency standards	0.075	4	0.300	3	0.225
6	<i>Capacity for Communication and Collaboration</i> , deepening working relationships and builds the capacity of all partners	0.050	3	0.150	4	0.200
D. Weaknesses						
1	<i>Culture</i> , work culture and work ethic to increase employee productivity	0.060	3	0.180	2	0.120
2	<i>Human Capital Management strategy</i> , requiring People Development Analyst Program for employees, in order to design and implement employee competency development programs.	0.045	1	0.045	2	0.090
3	<i>Marketing and Sales</i> , having consumers who want products that fit within their budget.	0.040	2	0.080	2	0.080
4	<i>Technology</i> - The main company still uses conventional machines so that in the production process and work results, it is difficult to adjust to the demands of customers wishes. - The main company does not have <i>tracking</i> in the process and results of its production.	0.045	3	0.135	2	0.090
Total		1		3,000		2,815

Source: Author, 2022

Based on the QSPM table, it can be concluded that an effective strategy carried out by PT SJA is the Computer Numerical Control (CNC) Machines and Digital Tracking of Production strategy with 3,000 points.

Porter Generic Strategies

Porter Generic Strategies is divided into 5 types, they are Type 1: Low Cost-Strategy, Type 2: Best Value-Strategy, Type 3: Differentiation, Type 4: Focus-Low Cost, Type 5: Focus-Best Value. The automotive industry and the oil and gas industry are time sensitive industries where speed is required in the production of goods. Previously, PT SJA at the decision stage chose for Computer Numerical Control (CNC) Machines and Workshop Expansion, therefore the business level strategy carried out by PT SJA was Cost Leadership, one of the generic strategies, where the strategy carried out by the company prioritized a lower cost structure than the industry average.

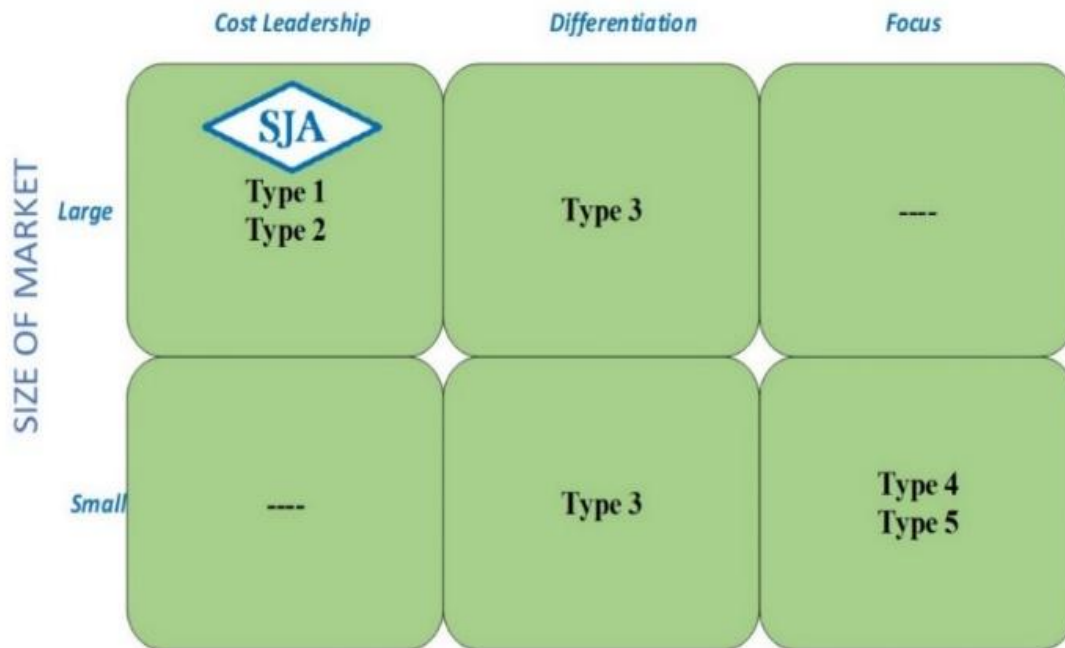


Figure 4 Generic Strategic

Source: Author, 2022

Lean Canvas Model

Lean canvas models are made especially for entrepreneurs to get a clear and simple idea of what they are going to do (Jones et al. 2021). The final stage in building a business is defining the lean business model canvas.

The table below shows PT SJA, which was compiled based on the previous analysis.

Lean Canvas				
Problem 1. Delivery time is not on time. 2. The cost paid by the customers is too high. 3. Limited variety of parts and tools made and the results are not in accordance with the customers' wishes (inaccurate and not precise) 4. The increase the need for parts and tools. 5. It is difficult to know the production process Existing Alternative Original Equipment Manufacturer (OEM) and Forging Machine	Solution 1. Customers can monitor the production process. 2. Customers get products from modern computerized machines with accurate and precise results. 3. Customers can add orders on a large scale.	Unique Value Propositions 1. Digital Tracking of Production, digitizing the production process for process monitoring every time. 2. CNC (Numerical Control Computer) machines produce parts and tools that are accurate and precise.	Unfair Advantage 1. Product Quality Management, which prioritize the quality of the resulting product. 2. Skills/Know How, by having skilled employees in the machining industry. 3. Capacity for Communication and Collaboration, by deepening working relationships and building the capacity of all partners 4. Finance, in addition to obtaining funding sources from investors but also full support from the main company.	Customer Segments 1. Automotive Industry 2. Oil and Gas Industry. 3. Others Industry. Early Adopters The industrial sector that continues to grow requires parts and tools with a fabrication method
	Key Metrics 1. Cost of production 2. Customer satisfaction and the number of new customers per month (sales) 3. Product quality, quality assurance, quality control and quality improvement.		Channels 1. Cooperation with the automotive industry, oil and gas industry and other industries. 2. Direct socialization to customers. 3. Company website .	
Cost Structure 1. Operational Costs. 2. Marketing Costs. 3. HCM Costs. 4. Risk and Management Costs.		Revenue Stream 1. Profits from ordering parts and tools. 2. Profits from the results of machine maintenance. 3. Profits from the results of repair parts and tools.		

Figure 5 Lean Canvas Model
 Source: Author, 2022

IV. CONCLUSION

Based on the results of the above analysis, starting with determining the value proposition canvas, analyzing external and internal business factors, then continuing with the analysis of EFE, IFE, VRIO, CPM, SWOT, IE, QSPM and Porter's Generic Strategy, so that PT SJA can be built properly. Finally, the business activities carried out are put into the Lean Business Canvas Model, so that the business will be able to compete and be sustainable.

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