

## **BUSINESS DEVELOPMENT STRATEGY OF PUTRI MAS AWAL IN TEGAL SARI MANDALA III MEDAN DENAI DISTRICT**

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**Abstract.** Putri Mas business is a restaurant named "Putri Mas," operating from 5:00 PM to 4:30 AM WIB (Western Indonesian Time), located in Medan City. The initial establishment of Putri Mas restaurant encountered challenges during its inception as it was relatively unknown and adapting to the surrounding environment while maintaining the distinctiveness of its food offerings. The purpose of this research is to analyze the early development of Putri Mas restaurant, assess its internal and external environment, and identify the strategies that have enabled the business to thrive and endure for 18 years. This study aims to uncover the journey of Putri Mas restaurant from its humble beginnings to gaining a substantial number of patrons. The research methodology employed in this study is qualitative descriptive, utilizing interview as the data collection technique. The research is conducted to share the business development strategies that have contributed to the sustained success of Putri Mas restaurant over time.

**Keywords:** strategy; business development; Putri Mas Restaurant

### **I. INTRODUCTION**

Opening a culinary business in Indonesia is very profitable, starting from the abundance of local delicacies that are easy to adapt and create new innovations. The large population increases the consumer base, and the culinary industry's processes are not overly complicated, making it accessible even to those with simple resources. Hence, many individuals venture into the culinary business as an alternative means to find happiness and success. The culinary business has seen significant advancements and rapid growth over time, mainly due to the widespread love for food among the public, who enjoy dining out. The goal of a business owner in this field is to fulfill their family's financial needs and achieve shared aspirations, understanding that life without financial security requires tremendous efforts and struggle. Putri Mas Restaurant had its humble beginnings, and now it has garnered numerous admirers due to the quality of its cuisine. The distinct spiciness characteristic of the local Padang dishes, achieved through meticulous seasoning and careful preparation, has become a sought-after experience for patrons from all walks of life. The business owner aspires to maintain this success that has been built from scratch over the course of 18 consecutive years. Many enterprises start small with modest turnovers and limited capital, serving as pioneers in their field. However, with time, the customer base grows gradually. The competition may be present, but trust in the Divine and the implementation of sound strategies help maintain food quality and provide excellent customer service, leaving the patrons yearning for the exceptional taste and making spice enthusiasts return as loyal customers.

### **II. RESEARCH METHODS**

The research design employed in this study is qualitative descriptive research. According to Mukhtar (2013), descriptive research method is used by researchers to explore knowledge or theories within a specific timeframe. Therefore, this qualitative research is conducted to investigate the conditions of a natural object and examine the key elements involved. "Denzim & Lincoln as cited in Gunawan (2004) define qualitative research as an endeavor to gain in-depth understanding of human and social issues, rather than merely describing the surface aspects of a reality. Researchers interpret how subjects obtain meaning from their surroundings and the influence that shapes their behavior. This research is conducted on a natural basis." Sugiono (2010) states that qualitative research methods are often referred to as naturalistic research because they are conducted in natural settings. The method is based on the postpositivism philosophy, used to study natural objects where the researcher acts as the key instrument. Data collection techniques involve triangulation (a combination of methods), data analysis is inductive/qualitative, and qualitative research emphasizes meaning rather than generalization.

### **III. RESULTS AND DISCUSSION**

The establishment of Warung Putri Mas was initially inspired by the owner's experience while living in Batam, Kepulauan Riau, where they frequently indulged in the local dishes and authentic Padang flavors. The name "Putri Mas" was chosen as a combination of their daughter's and son's

names. After their time in Batam, they returned to Medan and decided to start Warung Putri Mas from scratch without any external support. It was a pure endeavor of the husband and wife to provide for their family, nurture their legacy, and ensure the well-being of their descendants. The journey of Warung Putri Mas began in September 2006. It was not without challenges, and they had to adapt to the local environment while creating the unique and desired spicy flavors that attracted enthusiasts of spicy food. However, they also considered the preference of those who did not want their dishes overly spicy. The owners faced many trials during the initial two-year period of establishing the business, but with determination and strong will, driven by their noble aspirations, they worked hard and prayed fervently. They continuously sought guidance from the Almighty, hoping to overcome all obstacles. As mentioned in the Quran, Surah Al-Mukmin (60), it is essential to strive diligently and pray to Allah to fulfill one's desires. Allah delights in the prayers of His servants, as it establishes a direct connection between them.

As the two years passed, Warung Putri Mas gradually gained recognition within the local community. The distinctive spicy flavors of their dishes received positive feedback from customers, while occasional negative comments about the seasoning were taken as an opportunity to improve. The most sought-after dish at Warung Putri Mas is their Nasi Goreng. What sets their Nasi Goreng apart is that it is non-greasy, dry, and spiced to perfection, making it suitable for people from all walks of life. Unlike typical Nasi Goreng, which tends to be oily, the one served at Warung Putri Mas is free from excess oil, making it a standout feature. This culinary innovation was inspired by their experiences during their travels and culinary explorations in various cities and countries. They carefully gathered and assimilated culinary knowledge, creating their own unique blend of spices to achieve extraordinary and distinctive flavors that leave customers craving for more. Despite the immense popularity of their Nasi Goreng, they chose to operate only one outlet, precisely located at Jalan Denai No. 119, right next to the former train depot. When asked about their decision not to open additional branches, they expressed that there is currently no intention to do so. Thus, they continue to operate this single establishment, and it has been successfully running for an impressive 18 years. The steadfast commitment to quality and the dedication to maintaining their original establishment showcase the passion and authenticity behind Warung Putri Mas's culinary journey.

#### *Definition of Small and Medium-sized Enterprises (SMEs)*

The development of small and medium-sized enterprises (SMEs) is considered a significant opportunity to alleviate the heavy burden on the national and regional economies. SMEs are prevalent in this country and are characterized by their low capital requirements and flexibility. They hold a crucial position in the economy of a country or region, and Indonesia is no exception. SMEs play a vital role in the economic rhythm of the country, contributing to the creation of new job opportunities. Many new job positions are generated through SMEs, which employ a workforce that

supports household income. Moreover, SMEs exhibit high flexibility compared to larger corporations. In Indonesia, SMEs are widely pursued by the local communities [3]. Medium-sized enterprises are productive economic entities that operate independently, managed by individuals or business entities that are not subsidiaries or branches of small or large enterprises, with a specific level of net assets or annual sales.

#### *The Theory of Sales and Purchasing*

The traded goods are products, which encompass both tangible items and services that can fulfill human needs and desires. Goods and services possess distinct characteristics. Services differ from goods as they are intangible (abstract, cannot be physically touched), their purchase does not lead to ownership, they cannot be stored, and they are separate from the service provider [4]. Services are categorized into two types: Services as core products. Services as peripheral products that support the core product, either goods or services. Consequently, there are two qualities. Technical quality, which relates to the core product. Service quality, which pertains to the peripheral (supporting) product.

#### *Internal Environment*

Every company has its own unique internal condition. This eventually results in identifying the company's weaknesses and strengths. Several aspects can be easily identified within the internal environment of a company, and they can be categorized into three categories [5]:

- a) Competencies, referred to as capabilities, are the things that a company can do. This includes: Does the company hold a specific position in the industry? Does it develop resources, including skills, technology, or production methods? Does it have what it takes to survive in the industry and possess competencies that can be developed into core competencies?
- b) Core Competencies, are specific competencies unique to the company. It can also be understood as the company's ability to develop competencies and resources more effectively than its competitors.
- c) Resources, are the inputs employed in organizational activities. The resources possessed by a company can vary significantly.

Hunger defines the internal environment as consisting of variables related to the strengths and weaknesses within the organization, but often beyond the short-term control of top management. According to David, an analysis of the internal environment involves identifying and evaluating strengths and weaknesses in functional areas of the business. There are aspects within the company's internal environment that influence the organization [6]. Marketing, as described by Kotler, involves identifying and meeting human needs in a social context. There are eight marketing aspects to be considered: needs, market segmentation, offerings, value, marketing channels, supply chain, competition, and the marketing environment. Marketing is a fundamental activity that companies, whether dealing with goods or services, need to engage in to sustain their business. This is primarily because it directly relates to consumers.

Finance, as defined by Barlian is the science and art of managing money that impacts the lives of individuals and organizations. Finance encompasses the processes, institutions, markets, and instruments involved in the transfer of money between individuals, businesses, and governments [7]. According to Riyanto, finance involves all efforts to prepare and manage the acquisition and use of funds, including planning and implementation [8]. Similarly, Sundjaja (2002) states that finance is the science and art of managing money, which affects the lives of individuals and organizations [7]. According to Ridwan and Inge, finance is the science and art of managing money that impacts the life of every organization. Finance is related to processes, institutions, markets, and instruments involved in the transfer of money between individuals, businesses, and governments. It can be defined as financial management, encompassing all activities of a company that are related to obtaining, using, and managing its finances to achieve the primary objectives of the organization. Financial management is crucially important in any company. Thus, finance studies how individuals, businesses, and organizations enhance, allocate, and utilize monetary resources over time, while also calculating various risks associated with these activities [7].

#### *The External Environment*

There are five forces that can serve as models for competition analysis, utilized as a strategy in various industries, according to Porter in David. David also states that the competitive environment in an industry can generally be referred to as significant competitive forces, known as Porter's five forces. Each strategy employed by a company greatly influences other companies. However, the success only endures until a new strategy is discovered. As highlighted by Hunger, in most industries, companies' competitors are interdependent and interconnected. The strategies and competition used by each company naturally impact other companies and can lead to retaliatory efforts or resistance. The intensity of this competition is related to several factors, such as the number of competitors, industry growth rate, product and service characteristics, total costs, capacity, high exit barriers, and competitor diversity. The threat of substitute products or services, as stated by Hunger, lies in the fact that companies in an industry compete with other industries that produce alternative products. If the switching costs are low, the possibility of substitute goods significantly influencing the industry is strong. Consumer buying power, as expressed by Hunger, affects the industry through their ability to press for lower prices, demand better quality or services, and play a role in countering competitors. Meanwhile, according to David, when consumers are concentrated and numerous, their bargaining power emerges and affects the intensity of competition in the industry.

Potential new entrants, as mentioned by Hunger, typically bring new capacity as an effort to gain a share in the market and vital resources. They pose a threat to established companies. However, this threat depends on the existence of entry barriers and the reactions of existing companies.

#### *The Formulation of Strategies*

The process of strategy formulation involves several essential steps in guiding an organization's direction. It begins with developing a clear vision and mission, outlining the organization's purpose and aspirations. Next, the identification of external opportunities and threats is crucial, as well as assessing the strengths and weaknesses within the company.

#### *Types of Strategies*

Eleven Categories of Alternative Strategies. According to David, there are eleven categories of alternative strategies that organizations can consider for achieving their goals and objectives. These strategies encompass various approaches that take into account the competitive landscape and the influence of external forces on the organization's sustainability.

#### *Situation Analysis: SWOT*

Hunger emphasizes that this situation analysis marks the beginning of the strategy formulation process. Moreover, it requires strategic managers to consider the strategic fit of external opportunities and internal strengths, as well as take into account external and internal threats and weaknesses. David also states, "SWOT analysis is a vital tool to aid managers in developing four strategies: S-O, W-O, S-T, and W-T. Analyzing strengths, weaknesses, opportunities, and threats is a crucial approach to developing corporate strategies." According to David, there are four strategies that can be derived from SWOT [6]: Strengths and Opportunities Strategy. Opportunities and Weaknesses Strategy. Strong Threats Strategy. Weaknesses and Threats Strategy. David also states and defines strategy as the art or science of formulating, implementing, and cross-evaluating functional decisions that enable organizations to achieve their objectives. Generally, it is defined as the approach to achieving goals and comprises crucial activities necessary to reach those objectives. However, this concept often feels challenging as different literature provides varying definitions, and up to this point, there is no standardized definition. Some of these definitions include: Strategy is a framework or plan that integrates an organization's goals, policies, and actions/programs. Strategy is a plan about what an organization wants to become or achieve in the future and how to attain the desired state. It also pertains to: How performance targets are to be met. How the organization will focus on or pay attention to customers. How the organization will enhance service performance and other aspects. How the organization will carry out its mission.

#### *Internal Factor Analysis - Marketing*

The products offered by Warung Putri Mas are food, essential necessities required by everyone. Consumers also have the opportunity to choose from similar products with different details [9]. This poses a challenge in an industry characterized by monopolistic market competition, where there are numerous traders and customers, yet each product possesses its unique features. In this market, vendors need to innovate to create attractive products that appeal to consumers. Among the products offered by Warung Putri Mas, their most favored main dish is "nasi goreng" (fried rice), known for its distinctive spiciness, non-greasy texture, and suitability for all

age groups. For those who prefer less spiciness or other menu items, adjustments can be made to cater to their preferences. The occasional relocation of the eatery did not cause customers to leave or discontinue their patronage; instead, it attracted new customers while retaining loyal ones. This can be attributed to the signature characteristics of Warung Putri Mas and the consistently well-maintained taste that they uphold to this day. One of their flagship products is the signature Spicy and Non-greasy Fried Rice, which can be customized with various toppings. This product was inspired by the owner's experience of living in Batam City for several years. Motivated by the local warungs (small eateries) in Batam, they decided to experiment and create their own perfectly balanced blend of spices. They then put their creation to the test by starting this warung business in the city of Medan.

#### *Internal Financial Analysis*

As for the funds gathered by Warung Putri Mas, since its establishment, they have relied solely on their own capital without involving any external parties. There is no dedicated financial division to manage the business funds, and as such, there is no formal financial report for the Warung Putri Mas enterprise. Consequently, only the owner is aware of the financial condition, including income, expenses, and other financial aspects. In terms of financial management, there is no specific monthly revenue target, given that the business operates independently without any members or branches at this point.

#### *Internal Factor Analysis - Operational*

The most important factors in the applicable operational standards across all industries are speed, cleanliness, product quality, and hospitality. As per their motto, providing the best service to customers is paramount. Apart from the service aspect, production is a fundamental activity in the restaurant industry. This process involves transforming simple ingredients into consumer goods. Warung Putri Mas takes great care in maintaining the quality of their products and ensures that the premises are clean, providing a comfortable and safe environment for their customers. The attention drawn to Warung Putri Mas is due to their exceptional focus on cleanliness, quality of ingredients, storage, processing, and handling, all of which are well-maintained. They enforce exceptional discipline in running this business. Starting from scratch, they always ensure that the basic ingredients are in good and fresh condition before proceeding with the precise processing before distribution. Spice ingredients, such as chicken, vegetables, and their signature blend of seasonings, are all meticulously processed. The unique blend of seasonings is what sets Warung Putri Mas' dishes apart.

#### *Analysis of Internal Factors - Human Resources*

It is understood that human resources management is a science or method of effectively and efficiently managing human relationships and the role of resources (workforce) possessed by individuals, ensuring their optimal utilization to achieve mutual benefits for both the company and its employees [10]. Warung Putri Mas once tried to employ members or workers, which initially seemed promising and

was agreed upon at the beginning of the agreement. However, over time, within a month, their performance declined, showing subpar work quality, lack of discipline, and a lack of initiative or self-understanding in their work. The owner of Warung Putri Mas fully understands their rights, although they are not enforced frequently. Initially, they are given a warning, but if the behavior persists, they are asked to resign. Any member violating the rules will face sanctions and warnings to prevent recurrence. To maintain the quality of human resources at Warung Putri Mas, they remain vigilant and remind their employees constantly. This is because some workers may not be suitable for the job, affecting overall performance.

#### *External Analysis – Supplier Power*

Simple spices required by the business include chicken meat, rice, chili (for the fried rice seasoning), and other complementary vegetables, along with various kitchen condiments. Ensuring a stable supply of these raw materials is crucial for the business. However, one of the challenges they face is the seasonal availability of vegetables, some of which are easy to find while others are more difficult to obtain. Whenever there is a price increase in raw materials like red chili, bird's eye chili, onions, tomatoes, and others, they always manage to keep the supply available.

#### *External Analysis – Similar Environment*

According to the informant, they do not perceive any direct competition in their vicinity. Even though there are other eateries offering similar menus, they firmly believe that different hands create different flavors. The owner of Warung Putri Mas places great trust in the culinary skills they possess and values customer feedback and opinions. While other competitors in the vicinity attempted to compete, many faced setbacks and eventually closed down. In contrast, Warung Putri Mas, being an established eatery, takes pride in preserving the authentic flavors of their culinary creations and embraces all customer input to continuously improve their offerings.

#### *External Analysis – Buyer Power*

According to the informant, so far there have been no complaints from customers regarding product prices. Currently, the income remains stable, although there was a significant decline during the COVID-19 pandemic. Every business inevitably experiences periods of fluctuations in sales and revenue. The informant considers this to be normal and indicates that the price issue is almost negligible. Customers are allowed to decide which product options have a more affordable or higher price, as the prices are still within a reasonable range. In the food industry, consumers have the flexibility to choose from various product options of different types. However, each product has its own unique characteristics that set them apart from others. Besides the distinctive taste, consumers' purchasing decisions are influenced by various factors, such as pricing, quality level, appearance, customer service, health implications, and other related considerations.

#### *SWOT*

**Strengths:** Warung Putri Mas offers several flagship products that have gained significant popularity among customers.



These include their signature spicy and non-greasy fried rice, as well as their special "sambal terasi" or more precisely, shrimp paste sambal, which complements their famous "ayam penyet" (smashed fried chicken). One of the unique strengths of Warung Putri Mas is their distinct culinary style, and sometimes customers make special requests that cannot be found elsewhere. Their dishes are highly cherished by patrons due to the unique flavors they offer. Over the course of 18 years in business, Warung Putri Mas has cultivated a loyal customer base. These dedicated customers have remained faithful and continue to patronize the establishment.

Weakness: Warung Putri Mas does not utilize various online platforms such as GrabFood or other similar services.

Opportunity: Warung Putri Mas has a considerable customer base with potential, providing the business with opportunities to attract additional customers. Despite operating in Medan for a long time, new faces continue to visit to try their dishes, and many of them become returning customers. There is still room for introducing new menu items and expanding the range of products offered.

Threats: Consumer awareness regarding health is evident in their preference for hygienic and sterilized food products, along with the emphasis on clean and comfortable dining environments. Another potential threat is the strong belief held by customers in the unique taste and distinctiveness that Warung Putri Mas offers. Regardless of other competitors or companies, customers never feel overshadowed as each establishment has its own distinctive and characteristic cuisine that caters to individual preferences.

The strength-opportunity (S-O) strategy, Optimizing promotions or advertisements. Creating a wider variety of products. Gathering feedback from customers to improve. Considering opening new additional branches

Weakness-opportunity (W-O) strategy: Implementing marketing efforts. Maximizing product advertisements and promotions. Undertaking developments to attract customer attention. Enhancing human resources (HR).

Weakness-threat (W-T) strategy: Maximizing promotions by emphasizing health factors. Establishing high cleanliness standards. Improving the quality of human resources (HR).

#### Alternative Strategies

Based on the results of SWOT analysis or SWOT strategy analysis of the company's external and internal environment, the following actions are recommended: Maximize and innovate promotions and advertising efforts. Explore the possibility of opening new branches. Establish a dedicated marketing department. Develop new products that will pique consumers' interest. Enhance the implementation and level of natural resources utilization. Improve the quality and level of natural resources. These efforts can be effectively implemented. For instance, by focusing on skilled labor. Warung Putri Mas has been operating independently for 18 years, with minimal reliance on employees due to the challenges in finding suitable workers. Therefore, expansion and the adoption of additional applications are yet to be pursued.

## IV. CONCLUSION

Based on the discussions and analysis, it is evident that several suitable strategies can be applied and tried out. Implementing these strategies, along with the experiences on entrepreneurship and SMEs, can lead to the creation of numerous job opportunities. Through SMEs, new work units can be established, utilizing fresh talents that contribute to household income, regional economies, and the national economy. This writing also provides valuable insights into development, livelihood, economy, and entrepreneurship.

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