



Initial Business Development of PT CNG with Implementation of the Mutualism Network Strategy (Munets) Model

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A B S T R A C T

The development of a business by a company is determined by the ability to develop strategies. Every company needs to use a strategy to expand its business. Not only large companies but small companies or companies that are going to start a business should also use strategic management. CNG Indonesian Produk is one of many new distribution manufacturing companies working in fashion, food, and agriculture. Brands that are still relatively new can become a fundamental problem, thus hindering the marketing process to be carried out. This study aims to develop appropriate strategies for developing the CNG Indonesian Product business by expanding the company's network which will have an impact on increasing demand and company productivity. Mutualism Network Strategy (Munets) is the model used in this study. Munets is a marketing strategy that utilizes pre-existing networks and newly formed networks to produce a symbiosis of mutualism that is mutually beneficial for both business owners and parties involved in the network formed. In its application, the increase in sales demand increased 5x compared to before the implementation of Munets. So it can be concluded that the Munets model can expand the company's partner network which can increase sales demand and produce a mapping of the needs of each company division and strategic application proposals. Of course, it is necessary to control the implementation of the Munets model and the application of other business strategy methods in the development of the Indonesian CNG Product company.

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1. INTRODUCTION

The strategy used by a company in developing its business. Business development in a company is determined by the ability to build a

strategy. By building a strategy, companies are required to always look to the future and proactively shape the future of the company. The strategy helps in providing awareness of the

intended direction, maintaining continuity, and facilitating the effective leadership of a company (Susanto, 2014; Yulia et al., 2020; Syaputra & Aisyah, 2022). Strategic management is not only for large companies, small companies should also use strategic management. Strategic management is a set of decisions and actions designed to achieve company goals (Blocher, 2007). So with this strategic management certainly involves making long-term decisions that are complex and future-oriented. In planning a strategy three main stages can be passed. First, aligning the interests of the organization with stakeholders (stakeholders), namely those who are affected by the activities carried out by the organization. The next stage is to formulate the strategy of the organization, starting from the vision and mission. After setting the vision and mission, it will determine the specific strategic goals you want to aim at to achieve the predetermined mission. The third stage is to develop a business plan and implement the strategic plan (R. Pratiwi, 2018; Siswanto, 2014; Bachtiar & Amin, 2019). Strategy formulation is needed because it is long-term planning.

The concept of developing strategy starts from achieving goals and then develops into achieving competitive advantage and then becomes a dynamic action that can become a motivating force for stakeholders so that the company can contribute optimally (Bungin, 2013; R. I. Susanto, 2017; Rochmawati et al., 2023). The newest business development strategy method is the Mutualism Network Strategy (Munets). Munets is the latest idea created by the author who is currently in the continuous research and development stage. Munets is a mutualism network strategy or can be interpreted as a strategy by uses a mutually beneficial network (Galang & Putra, 2022). The implementation of Munets is by forming new partners, involving both institutions and individuals as new partners. With the implementation of Munets, the business coverage network can be expanded from initially only using human resources and personal networks to utilizing other networks that have previously been formed.

One of the efforts to stabilize the economy in Indonesia is to help increase MSMEs which are

Indonesia's largest financial access by contributing 60.34% of Gross Domestic Product (GDP). The Karawang Regency Small and Medium Enterprises Cooperative Service noted that the number of MSMEs in Karawang Regency was 100,785 MSMEs (Purnamasari & Ramdani, 2020). The Indonesian government supports MSMEs to become the backbone of the economy of every region in Indonesia. Because of this, various MSMEs have appeared, such as franchises or franchising businesses. In the Karawang Regency, there are many companies in the form of PT, CV, and MSMEs engaged in manufacturing, one of which is CNG Indonesian Product. CNG Indonesian Products was founded in 2020, engaged in the production and distribution of clothing convection and so on, located at Jalan Citarum Timur No. 100 West Adiarsa Village, West Karawang District, Karawang Regency 41313.

CNG is engaged in manufacturing and services ranging from food, fashion, agriculture, and various other fields. Based on the existing data, it is known that several basic problems are becoming obstacles, namely the brand or brands that are still new because they have only been running for 2 years since 2020 thus hindering the marketing or marketing of products produced by CNG Indonesian Product by only producing 5,590 pcs. Capital is also a problem experienced by CNG, where the lack of capital is an obstacle to advancing the business. CNG Indonesian Product has only been running for the past two years, therefore it is necessary to plan an appropriate business strategy to be able to achieve the goals of the company. Especially in the field of marketing with brands that are still very new among the public and limited capital to be able to achieve the target objectives of the company. According to (Usmara, 2008), marketing strategy is the most important part of developing a business. Likewise, CNG Indonesian Products needs a marketing strategy to be able to retain more market share and compete with competitors who have arrived earlier. By carrying out various efforts in terms of price, quality, and service for the business together with an appropriate marketing strategy, it is hoped that the company will be able to compete with competitors in its field. Seeing the problems and obstacles faced by CNG

Indonesian Products, strategies are needed to develop the business using the Munets method. The Munets method is expected to be able to solve problems with CNG Indonesian Products to expand the company's network so that productivity and company demand increase so that they can continue to revive CNG Indonesian Products.

2. LITERATURE REVIEW

2.1 Micro, Small, and Medium Enterprises (MSMEs)

A small micro business is a business activity that is mostly carried out by Indonesian people. These businesses generally have almost the same characteristics in each region, including having low-income levels and not being managed properly. The following is the definition of MSMEs according to (Undang-Undang Republik Indonesia Nomor 20 Tahun, 2008): (1) Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law. (2) Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branch companies that are owned, controlled, or become part either directly or indirectly of Medium or Large Businesses which meet the criteria for Small Business as referred to in this Law. (3) Medium Enterprises are productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part, directly or indirectly, of Small or Large Enterprises with a total net worth or annual sales proceeds as stipulated in this Law.

2.2. Business Development Strategy

Strategy is an effort to develop the company's competitive position during business competition. Meanwhile, strategy is a specific set of goals and action plans, which if achieved will provide the expected competitive advantage. The strategy includes identifying and implementing these goals and action plans. Strategies need information to make the right strategic decisions regarding product selection, production methods, marketing channels, and other long-term matters. Strategy is also defined

as a set of critical choices for planning and implementing a series of action plans and resource allocation essential in achieving basic goals and objectives, taking into account competitive, comparative, and synergistic advantages that are ideally sustainable, as an overall direction, scope and long-term perspective the ideal of an individual or organization (S. B. Pratiwi, 2019). Business development is the task and process of analytical preparation of potential growth opportunities, support, and monitoring of the implementation of business growth opportunities, but does not include strategic decisions and implementation of business growth opportunities (Syaputra & Aisyah, 2022) (Galang & Putra, 2022b).

2.3. Mutualism Network Strategy (Munets)

Mutualism Network Strategy or can be abbreviated as Munets is the latest business strategy method created by the author in 2021 and is currently under continuous research and improvement. Munets is a mutualism network strategy or can be interpreted as a strategy by using a mutually beneficial network that includes business people, company owners, company business partners, and consumers from the company (Galang & Putra, 2022b). The following are the factors of business development using the Munets strategy namely Planning, Human Resources, Leadership, Capital, Coaching, Partners, Customers, and Competitiveness.

3. RESEARCH METHOD

The framework of thinking in this research is to apply a new business strategy to increase the productivity of CNG Indonesian Products. The new business strategy implemented in this study is the Mutualism Network Strategy (Munets) which is a business strategy in the form of a network that is created in the form of a new network and utilizes the previously formed network to generate profits for each party. Munets itself is the latest business strategy initiated by the author by involving aspects of the network, be it partners, sub-partners, retail and end consumers, and covering in terms of price, promotion, human resources, and payment methods in the hope of being able to answer and resolve problems that occur in CNG Indonesian Product. The following is a chart of

the framework applied in this study.

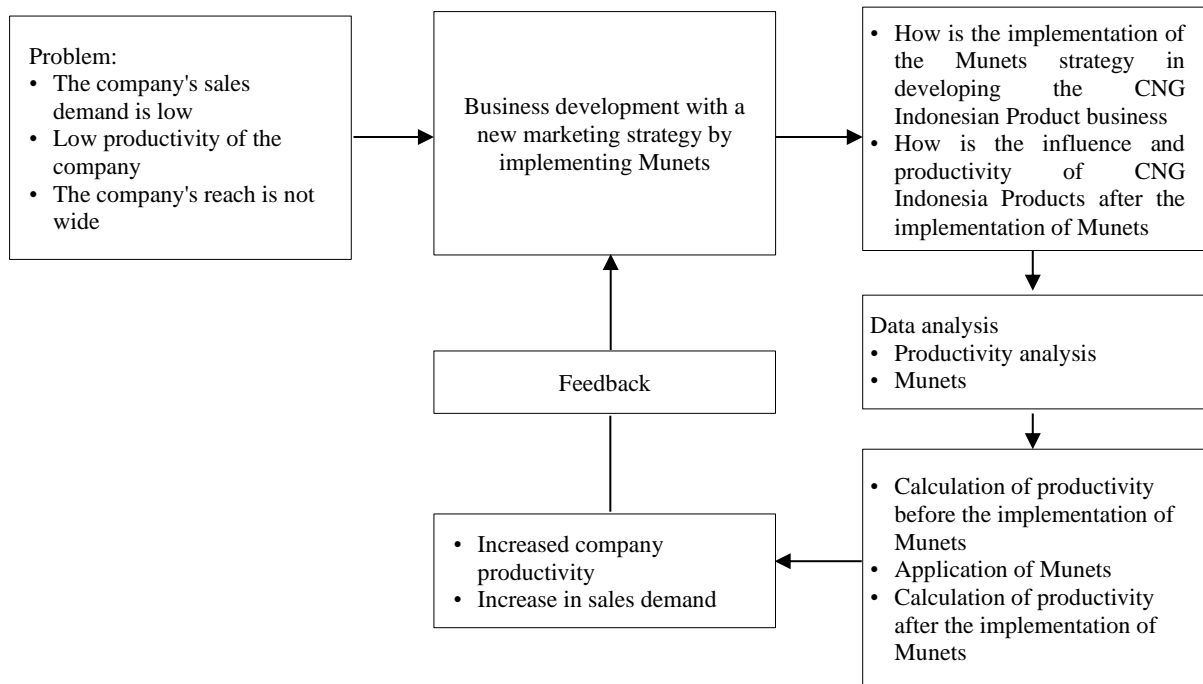


Fig. 1. Study framework

In the preliminary study stage, researchers made observations and collected data related to marketing strategies to support the development of the CNG Indonesian Product business. At this stage, researchers make

observations and collect data related to marketing strategies to support the development of the CNG Indonesian Product business as shown in Fig. 2.

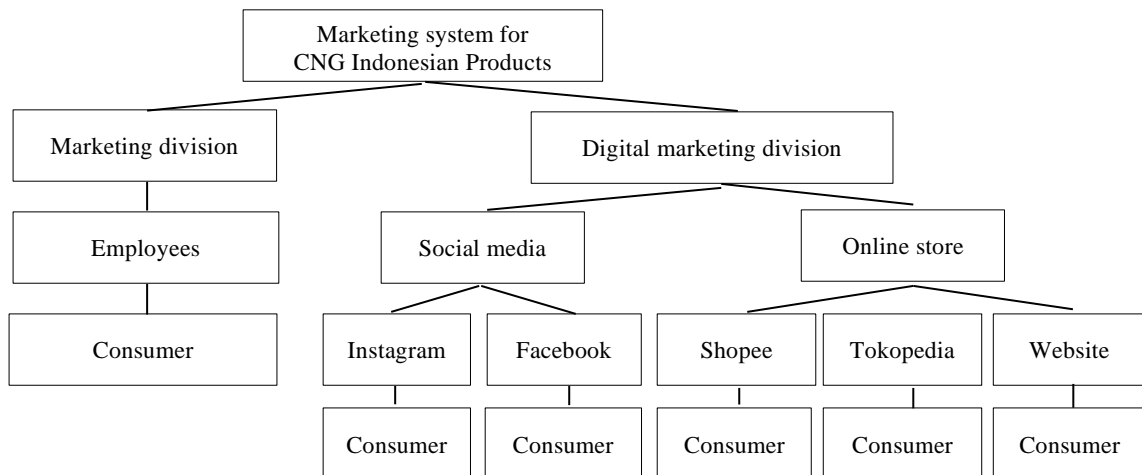


Fig. 2. Initial marketing strategy chart for CNG Indonesian product

The steps taken in this study are related to the problems that occur, both the company's low sales demand and the company's low productivity and the company's reach that is not wide, so the problem is formulated based on the problems that occur to be able to solve problems

that occur in CNG Indonesian Product companies: (1) The initial step taken by the authors in this research is to calculate the productivity level of the company based on five efficiency ratios including total production output (pcs), electricity consumption (watts),

operational costs (rupiah), number of employees (people), total labor time (hours) and overtime hours (hours).

Of the five efficiency ratios, the productivity level of the initial company is found. (2) After calculating the productivity level of the company and analyzing which points need improvement, the next step is to apply the Mutualism Network Strategy (Munets) by building a network starting from partners, sub-partners, retail, to the end consumer. In addition to building a network, the implementation of the Mutualism Network Strategy (Munets) strategy also applies adjusted prices to each element in the ongoing business environment, on the other hand, it also includes promotions that can be applied, human resources used, to payment methods used. All of these things are intended to be able to answer all the problems that occur in CNG Indonesian Products. (3) The next step is to recalculate the value of productivity after the implementation of the Mutualism Network Strategy (Munets) by calculating the five efficient ratios that have also been calculated previously including total production yield

(pcs), electricity consumption (watts), operational costs (rupiah), number of employees (people), total labor time (hours) and overtime hours (hours). From this step, we can conclude the differences between before implementing and after implementing the Mutualism Network Strategy (Munets). (4) The last step of this research is the discussion of the productivity and results of the implementation of Munets.

4. RESULT AND DISCUSSION

4.1. Productivity Calculation

To determine the level of productivity of a company can be seen from the results of a product that is produced, then the good or bad product that is produced from a product can be tested and is feasible for commercialization. The following data needed to determine the level of productivity is data recapitulation of the number of employees, total labor time, employee overtime hours, total production output, electricity consumption (watts), and electricity consumption costs from October 2021 to December 2021 before implementing Munets as in the following Table 1.

Table 1. Productivity data before Munets implementation

No	Month	Total Prod. (Pcs)	Elec. Cons. (Watt)	Oprt. Cost (IDR.)	Numb. Employees (Person)	Total Labor (Hours)	Overtime (Hours)
1	October	1.800	1.300	385.000	3	208	0
2	November	1.920	1.300	410.000	3	208	0
3	December	1.870	1.300	405.000	3	216	0

After implementing Munets, the recapitulation results were obtained based on observations in January-March 2022 as in Table II:

Table 2. Productivity data after Munets implementation

No	Month	Total Prod. (Pcs)	Elec. Cons. (Watt)	Oprt. Cost (Rp.)	Numb. Employees (Person)	Total Labor (Hours)	Overtime (Hours)
1	January	9.010	1.300	715.000	3	208	9.010
2	February	9.240	1.300	730.000	3	192	9.240
3	March	10.050	1.300	810.000	3	216	10.050

4.2. Application of Mutualism Network Strategy (Munets)

1) Marketing System, Implementation of Mutualism Network Strategy (Munets) in the CNG Indonesian Product business in the form of adding a new marketing system

without eliminating the old marketing system that had previously been implemented. Munets is implemented by forming partners involving both agencies and individuals as partners. After the channel is distributed to partners, then the

product is distributed to sub-partners and end consumers. By implementing Munets, it can expand the business coverage network of CNG Indonesian Products, which previously only used human

resources and personal networks, and can take advantage of other networks that have previously been formed. The latest marketing system with the implementation of Munets can be seen in Fig. 3.

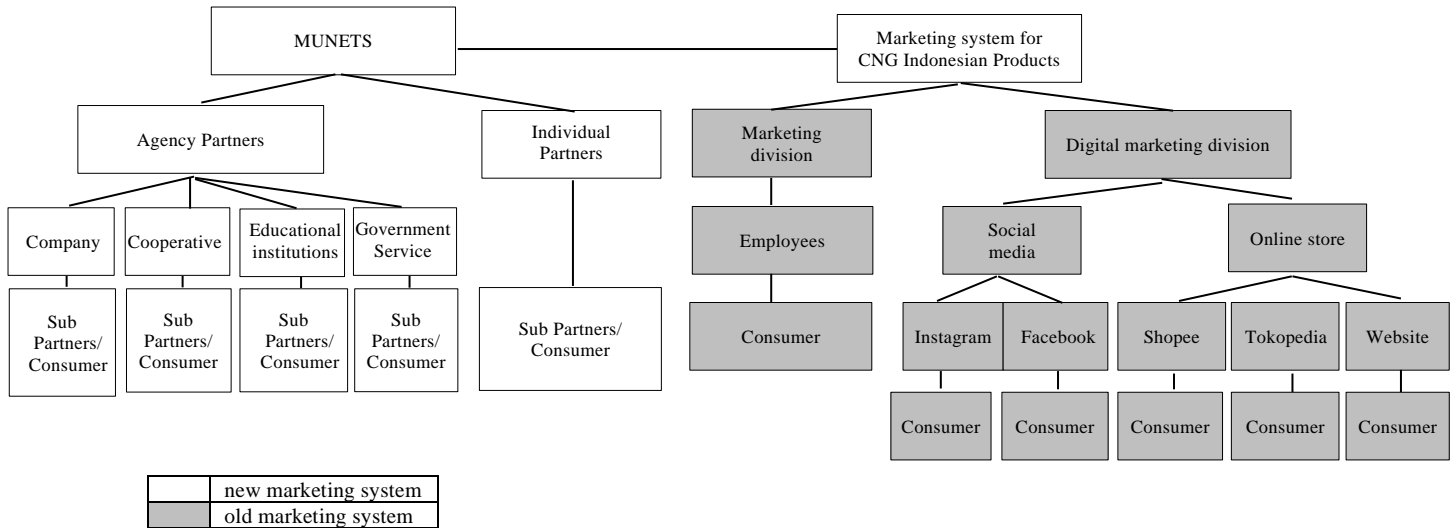


Fig. 3. CNG Indonesian product's new marketing strategy chart

2) Distribution Channels. The distribution channels applied to the Munets

implementation can be seen in Fig. 4.

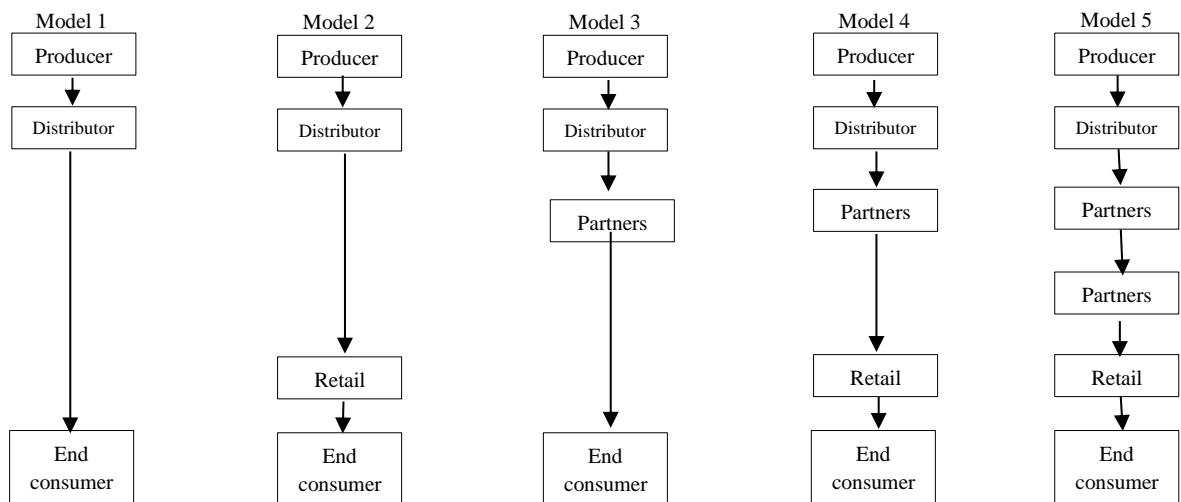


Fig. 4. Distribution channels

The following is an explanation from Figure 4, Model 1 and Model 2 are distribution channels that have previously been implemented both by direct marketing through marketing employees and digital marketing. Model 3, Model 4, and Model 5 are

forms of distribution channels for the implementation of Munets, which are marked by involving Partners, Sub Partners, Retailers, and end consumers. Of the three models, it involves many parties, and even though profits must be shared among

many parties, this can increase the amount of sales demand.

- 3) Partners. The purpose of forming these partners is to develop a business network by utilizing the network that has been formed before, both as an institution and individually. This will form a wider CNG Indonesian Product business network. The partner network that has been formed now includes universities, cooperatives, education offices, government agencies, and individuals.
- 4) Sub Partners, Sub Partners are networks formed by partners who work together with CNG Indonesian Product, these sub partners include networks that have been formed by agencies and individuals and continue to be developed by partners so that a wider network is formed. In sub-partner companies, this can consist of company relations, company cooperatives, company employees, and so on. Whereas in sub-partner cooperatives this can include cooperative members and sub-

businesses of the cooperative. Likewise, government agencies and educational institutions, and individuals of course have their sub-partner network of these partners.

- 5) Retail, Retail is the last distributor before finally being accepted by the end consumer. This retail can stand alone or stand under partners and sub-partners, depending on the retail itself. This retail was already formed before the implementation of Munets, both through direct sales and digital marketing. However, after implementing Munets, of course, the number of retailers will increase, seeing that many retailers are tied to an agency or company so the number of retail from CNG Indonesian Products has increased rapidly, both retail under the auspices of partners or sub-partners as well as freelance retail.
- 6) Prices. The following is a price scheme that is applied using the Munets method for CNG Indonesian Products as shown in Fig. 5.



Fig. 5. Pricing and discount schemes

The application of price calculations to CNG Indonesian Products using the MUNETS method uses a ratio of 3 to 7, namely 30% profit with 70% capital or HPP. This 30% profit income is a figure that will later be used for partner, sub-partner, retail, and consumer discounts. As well as this figure will later be divided for promos, bonuses, and also sponsorship funds at

events for advertisements from the CNG Indonesian Product business.

- 7) Promotion : (1) Discount, this discount can be applied without changing the previously determined discount scheme. However, to get more attractiveness from consumers, it can be changed according to a mutual agreement so that a mutually beneficial business relationship is

established. (2) Bonuses, bonuses given to consumers can be in the form of products produced by CNG Indonesian Products or other products, be it electronics or others. The part of procuring this bonus is from the difference in the discount that has previously been explained both from the difference in the discount for each level and the discount for the end consumer. (3) Sponsor Funds, as is the case with the previously explained bonuses, in this sponsor fund promotion the nominal calculation is the same, originating from the difference between the discount and the final consumer discount. However, what makes the difference is the form of the award in the form of sponsorship funds according to the agreement of both parties.

- 8) Human Resources: (1) Active. Active resources are resources tied to the company. This is an employee who gets a salary from the company with duties that are binding on the company's duties. (2) Passive, Passive employees are freelance employees who are not tied to the company, are only used when there is related production, and are paid according to the amount of work done by each passive employee.
- 9) Payment: (1) Cash, cash payments are made at the beginning of the transaction by making payments, while the advantage that consumers get with this cash payment is to get an additional discount. Meanwhile, the seller gets cash flow benefits that can run quickly. (2) Tempo, Payment by this time means payment of 50% of the total order at the beginning of the transaction and payment after the product is sent. This payment provides relief to consumers for repayment at the end and provides greater benefits to the seller without having to provide additional discounts.

4.3 Discussion

To determine the level of productivity of a company can be seen from the results of a

product that is produced, then a good or bad product that is produced from the product. Based on the productivity analysis conducted before the implementation of Munets, productivity was found to be relatively flat with no increase every month. Even though the maximum productivity level is at 100%, the demand generated is very small with a total production produced for three months, namely 5,590 pcs, and cannot cover the operations that the company issues every month. Next is the implementation of Munets by building a network starting from partners, sub-partners, and retail, to the end consumer. In addition to building a network, the implementation of the Munets strategy also applies adjusted prices for each element in the ongoing business environment, on the other hand, it also covers the promotions that can be implemented, the human resources used, and the payment methods used. All of this is intended to be able to answer all the problems that occur with CNG Indonesian Products, namely low demand and productivity as well as the lack of extensive corporate networks. After implementing Munets, the company's demand increased rapidly to around 5 times higher, namely as many as 28,300 pcs so that the profit earned was able to cover operational costs and generate multiple net profits. As well as increased productivity every month even though the increase is not significant.

5 CONCLUSION

To determine the level of productivity of a company can be seen from the results of a product that is produced, then a good or bad product that is produced from the product. Based on the productivity analysis conducted before the implementation of Munets, productivity was found to be relatively flat with no increase every month. Even though the maximum productivity level is at 100%, the demand generated is very small with a total production produced for three months, namely 5,590 pcs, and cannot cover the operations that the company issues every month. Next is the implementation of Munets by building a network starting from partners, sub-partners, and retail, to the end consumer. In addition to building a network, the implementation of the Munets strategy also applies adjusted prices for

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