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Analysis and Business Development Strategy of Sumil Kayu (A Study on Sumil Kayu PK. Putra Bakung in Jati Agung District)

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Abstract

The increasing demand for timber due to population growth and technological advancements presents both opportunities and challenges for timber processing businesses. This study examines the development strategies of Sumil Kayu PK. Putra Bakung, a timber processing company in Jati Agung, Lampung Selatan, through SWOT analysis. The research aims to identify internal strengths and weaknesses as well as external opportunities and threats to formulate strategic recommendations. Employing a qualitative descriptive method, the study explores ways to enhance product quality, expand market reach, and adopt sustainable practices. The findings highlight key strategies to optimize business operations and improve competitive positioning (Afridhal, 2017).

Keywords: Strategy Development, SWOT Analysis, Timber Industry, Sustainable Practicesintroduction

INTRODUCTION

Timber plays a crucial role in the construction and furniture industries due to its versatility, durability, and ease of processing (Moleong, 2014). Despite increasing competition from alternative materials such as metal and plastic, timber remains a preferred choice for various applications, including furniture, doors, windows, and construction beams. The growing demand for timber, driven by population growth and urbanization, presents both opportunities and challenges for businesses operating in this sector (Sulaeman, 2023).

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One such business is Sumil Kayu PK. Putra Bakung, a timber processing company located in Jati Agung, Lampung Selatan. Established in 2021, the company specializes in converting raw logs into finished products such as planks, beams, and other wood components. These products cater to local contractors, furniture makers, and individual consumers. However, the company faces several challenges, including fluctuating demand, seasonal revenue variations, increasing competition, and operational inefficiencies. These challenges require a well-defined business development strategy to ensure sustainability and long-term growth (Vinatra, 2023).

To remain competitive in an increasingly dynamic market, businesses must adopt strategic approaches that enhance efficiency, expand market reach, and optimize resource utilization. Business development strategies involve comprehensive planning, the integration of modern technology, and effective resource management. Without a solid strategy, businesses risk stagnation, reduced profitability, and eventual decline due to market pressures and economic fluctuations (Afridhal, 2017).

This study aims to analyze the business development strategies of Sumil Kayu PK. Putra Bakung using the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis framework. By examining internal and external factors affecting the company's operations, the study seeks to formulate actionable recommendations that can help the company leverage its strengths, address its weaknesses, capitalize on emerging opportunities, and mitigate potential threats. The findings are expected to provide insights into how timber businesses, particularly small and medium enterprises (SMEs), can remain competitive and sustainable in an evolving market environment.

Through this research, Sumil Kayu PK. Putra Bakung can gain a deeper understanding of its market position and develop strategic initiatives to optimize production, improve marketing outreach, and strengthen customer relationships. Ultimately, the goal is to contribute to the broader discourse on business development strategies for SMEs in the timber industry, offering practical solutions that can be adopted by similar enterprises facing comparable challenges.

Objectives

This study aims to achieve the following objectives:

1. To identify and evaluate business development strategies that can increase the revenue of Sumil Kayu PK. Putra Bakung.
2. To analyze the internal and external factors influencing the business using SWOT analysis.

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3. To provide actionable recommendations for enhancing the company\u2019s competitiveness and ensuring sustainable growth.

DISCUSSION

The SWOT analysis framework is used to evaluate internal strengths and weaknesses as well as external opportunities and threats that affect the business development of Sumil Kayu PK. Putra Bakung. This analysis helps formulate strategies that leverage the company's strengths while addressing its weaknesses and preparing for external market dynamics.

Strengths

1. High-Quality Timber Production – Sumil Kayu PK. Putra Bakung maintains a strong reputation for producing high-quality timber that meets the needs of local contractors and furniture manufacturers. The company's commitment to quality enhances customer trust and loyalty (Afridhal, 2017).
2. Skilled Workforce and Efficient Machinery – The business operates with experienced employees and well-maintained machinery, ensuring smooth production processes and minimizing defects in timber processing.
3. Strong Market Presence in Local Regions – The company has established itself as a preferred supplier in Jati Agung, Lampung Selatan, benefiting from repeat customers and word-of-mouth marketing.

Weaknesses

1. Limited Marketing Reach – The company primarily relies on traditional word-of-mouth marketing rather than utilizing digital tools such as online marketplaces and social media, which could expand its customer base (Fatimah & Tyas, 2020).
2. Seasonal Revenue Fluctuations – Timber demand is highly seasonal, with increased sales during dry seasons when construction activity is high, and lower sales during rainy seasons (Sulaeman, 2023).
3. Dependence on Specific Suppliers – The company sources raw materials from a limited number of suppliers, making it vulnerable to supply chain disruptions and price fluctuations.

Opportunities

1. Growing Demand for Sustainable Timber – With increasing awareness of environmentally friendly construction materials, there is an opportunity for the company to promote eco-certified timber and adopt sustainable production methods (Vinatra, 2023).

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2. Potential for Business Partnerships – Collaborations with furniture manufacturers and large-scale construction companies could lead to bulk orders, providing revenue stability (Suriono, 2021).
3. Expansion into Digital Marketing – Utilizing platforms such as social media, e-commerce sites, and Google Ads can help increase brand visibility and attract new customers beyond Lampung Selatan.

Threats

1. Increasing Competition – The timber industry faces growing competition from alternative materials such as steel, aluminum, and engineered wood. If Sumil Kayu PK. Putra Bakung does not innovate, it risks losing market share (Afridhal, 2017).
2. Economic Fluctuations – Economic downturns can lead to reduced demand for timber in construction and furniture industries, impacting sales and profitability (Fatimah & Tyas, 2020).
3. Regulatory Challenges – Government policies on forest conservation, logging permits, and timber trade regulations can affect the availability and pricing of raw materials, requiring businesses to comply with strict regulations (Sulaeman, 2023).

Strategic Recommendations

To overcome these challenges and capitalize on growth opportunities, Sumil Kayu PK. Putra Bakung should adopt the following strategies:

1. Expand Marketing Channels

a. Develop an online presence through social media marketing, e-commerce platforms, and business websites to reach a wider audience (Fatimah & Tyas, 2020).
b. Establish partnerships with furniture manufacturers, retailers, and real estate developers to secure long-term contracts.

2. Diversify Product Offerings

a. Introduce new timber products such as pre-cut wood, customized furniture components, and eco-friendly timber to attract different customer segments (Suriono, 2021).
b. Offer value-added services such as timber finishing, coating, and design customization to increase product appeal.

3. Improve Operational Efficiency

a. Invest in modern cutting and drying technology to reduce waste and increase production capacity.

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b. Strengthen supply chain management by diversifying wood suppliers to reduce dependency on a single source.
4. Adopt Sustainable Practices
a. Obtain eco-friendly certifications to attract environmentally conscious customers.
b. Implement reforestation initiatives and collaborate with organizations promoting sustainable forestry (Vinatra, 2023).

CONCLUSION

The development of strategic business approaches is crucial for ensuring the long-term sustainability and growth of Sumil Kayu PK. Putra Bakung in the highly competitive timber industry. The SWOT analysis conducted in this study has identified several key factors influencing the company's business performance. The company possesses notable strengths, such as high-quality timber production, skilled workforce, and a strong local market presence, which serve as a foundation for its growth (Rinova et al., 2019). However, weaknesses such as limited marketing reach, seasonal revenue fluctuations, and supplier dependency must be addressed to enhance business resilience (Afridhal, 2017).

External opportunities, such as the increasing demand for sustainable timber, potential partnerships, and digital marketing expansion, present avenues for business growth. However, threats, including rising competition, economic downturns, and regulatory constraints, pose significant challenges that require proactive management (Sulaeman, 2023).

To ensure sustainable business expansion, Sumil Kayu PK. Putra Bakung should adopt the following key strategies:

1. Enhancing marketing channels by integrating digital marketing and partnerships with large-scale furniture and construction companies (Fatimah & Tyas, 2020).
2. Diversifying product offerings by developing new timber products and value-added services to attract a broader customer base.
3. Improving operational efficiency by investing in modern production technology and optimizing supply chain management (Vinatra, 2023).
4. Implementing sustainable business practices by adopting eco-friendly production methods, securing environmental certifications, and participating in reforestation programs (Suriono, 2021).

By implementing these strategies, Sumil Kayu PK. Putra Bakung can strengthen its competitive position, enhance profitability, and build a resilient business model that is

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adaptable to changing market conditions. This study provides valuable insights for small and medium-sized enterprises (SMEs) in the timber industry, highlighting the importance of strategic planning, market adaptability, and sustainability initiatives in achieving long-term business success.

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