



**Business Strategy of Native Chicken Meat on Cv Xyz**

<b>Julianto Fransisko</b>	Program Pascasarjana Manajemen Bisnis, Institut Pertanian Bogor Jl Raya Pajajaran, Bogor Indonesia 16151
<b>Amzul Rifin</b>	Program Pascasarjana Manajemen Bisnis, Institut Pertanian Boor Jl Raya Pajajaran, Bogor Indonesia 16151
<b>Hadi K. Purwadaria</b>	Program Pascasarjana Manajemen Bisnis, Institut Pertanian ogor Jl Raya Pajajaran, Bogor Indonesia 16151

**ABSTRACT** Development of local poultry as a complementary food products in the supply of poultry meat has a good prospect. CV XYZ is one of company that does a modern chicken farming. The purposes of this study were to evaluate internal and external environmental factors that affect the productivity of domestic poultry broiler in the company, formulate alternative strategies and determine the priority strategy for the improvement of the company production. The research method used value chain analysis, internal and external environmental analysis and SWOT-AHP method. Internal factors and external companies were used to produce a wide range of alternative strategies that are beneficial to the development of the company. Alternative strategies formulated for the company were producing DOC independently, increasing biosecurity, increasing the production of native chickens, capacity building for the human resources, and market penetration. Producing DOC independently was selected as the priority strategy for the company.

**KEYWORDS** Native chicken, Value chain, AHP-SWOT, Strategy

**INTRODUCTION**

Development of local poultry as a complementary food products in the supply of poultry meat has good prospects. The amount of the market share of chicken reflected from the increasing of restaurant / outlet / outlets that use free-range chicken broiler meat or ordinary people call it chicken as food mainstay (Priyanti et al. 2005). Meeting the needs of consumers towards chicken constrained by low supply, which caused reproductive and slow the growth of body weight (Muryanto and Subiharta 1993; Muryanto et al. 2009). Although demand for chicken will continue to increase, the growth of chicken runs very slowly even trended downwards.

Currently, the supply of native chicken is less than consumption needs. It is necessary to increase the production of native chicken businesses. One of the native chicken companies in Bogor, West Java is CV XYZ. This company has been doing business for 14 years. The company currently has a constraint in developing its business to meet the demand of native chicken meat. In managing its business the company is still using the traditional maintenance systems. CV XYZ, needs to formulate strategies that are useful in developing its business and facing the business problems today. The purposes of this study are to 1) analyze the internal and external environmental factors that affect the production of native chicken at CV XYZ, 2) formulate alternative strategies that can increase the production of native chickens at CV XYZ, and 3) determine the priority of alternative strategies used to increase the production of CV XYZ.

**METHOD**

This study was conducted with a qualitative descriptive in the form of case studies at CV XYZ. The use of case study research approach was intended to describe the problem with more detailed information. This research analyzed the value chain at CV Lan Moy Farm. The data used in this study consisted of primary data and secondary data, either qualitative or quantitative. Primary data were obtained by interviewing respondents. Secondary data were obtained from company documents, such as annual reports. Processing techniques and

data analysis consisted of descriptive analysis and environmental analysis of the company. Analysis tool that was used to formulate the strategy was the SWOT-AHP analysis.

**RESULTS**

**Value Chain Analysis**

The value chain is a pattern that is used to understand the company's cost position and identify ways that can be used to facilitate the implementation of business-level strategy. The main activities are divided into three stages, from the start of the feed suppliers, doc, vaccines, medicines, equipment ranchers, farmers, collectors, and process management. The flow of broiler breeders to consumers consists of several channels is 1) farmers, collectors, RPA and consumers 2) farmers, collectors, traditional markets. Analysis of the value chain of activities and actors involved is:

1. Suppliers. Suppliers in domestic poultry value chain CV. XYZ is a supplier of feed, DOC, vaccines, drugs and equipment breeders. The supplier of conduct distribute feed, DOC, vaccines, drugs and equipment breeders to the farmers.
2. Native Chicken Broiler Breeders. Breeders are the main actors in generating domestic poultry broiler quality so the quality of chicken meat depends on how the maintenance of broiler chickens. Range chicken farm company is composed of two core farm and ranch partners.
3. Collectors. Mediator role in receiving the distribution of free-range chicken broiler. Domestic poultry breeders produced by CV XYZ entirely sold to collectors.
4. Cutting Chicken House (RPA). RPA is a channel of distribution of domestic poultry broiler third of collectors. RPA received meat supply from the collectors to be channeled back to consumers as consuming chicken meat.
5. Supermarkets, traditional markets, and restaurants.

Range chicken meat supplied by the collectors and the RPA will be distributed to supermarkets, traditional markets, and restaurants. Chicken supplies obtained from collectors in addition sold to RPA partly channeled into the traditional market, the percentage of sales to traditional markets as much as 45% with a cash payment system.

6. Consumers. Consumer is the last actor who consume meat of domestic poultry.

**Internal Environmental Analysis**

Based on analysis of internal environment can be obtained several factors strengths and weaknesses of the company that could affect the survival and improvement of XYZ CV business in the future. These factors can be seen in Table 1.

**TABLE – 1  
IDENTIFICATION OF INTERNAL FACTORS CV XYZ**

No	Aspects	Factor	Strengths / Weakness
1	Management	the company were having experienced human resources on traditional farming HR skills are still lacking	Strength
			Weakness
2	Financial	Good financial condition owning extension of farm land	Strength
			Strength
3	Production	High mortality rate The system is still traditional cages Cost of production of chicken is high Not having its own DOC	Weakness
			Weakness
			Weakness
			Weakness
4	Marketing	profits increased by an average 10% per year	Strength

**External Environment Analysis**

Based on analysis of external environment can be obtained several external factors that can affect the sustainability and business improvement CV XYZ future. These factors can be seen in Table 2.

**TABLE – 2  
IDENTIFICATION OF EXTERNAL FACTORS CV XYZ**

No	Aspects	Factor	Opportunities / Threats
1	Politics, Government and Law	consisted of the existence of government support for native chicken meat farm	Opportunities
2	Economic	demand for native chicken in Jabodetabek continues to increase a significant increase in people's income The company's competitors are already producing DOC independently	Opportunities
			Opportunities
			Threat
3	Social and Cultural Rights	the presence of native chicken meat substitute products / cheaper meat	Threat
4	Technology	infection of virus or illness	Threat

**Analysis of Alternatives Strategies**

Based on the results of the factor analysis of strengths, weaknesses, opportunities and threats, the analysis is obtained from any one strategy that can be done by the company through TOWS matrix shown in Table 3.

**TABLE – 3  
ANALYSIS OF ALTERNATIVES STRATEGIES CV XYZ**

INTERNAL FACTOR	Strengths (S) the company were having experienced human resources on traditional farming Good financial condition	Weakness (W) HR skills are still lacking High mortality rate The system is still traditional cages Cost of production of chicken is high Not having its own DOC
EXTERNAL FACTOR	owning extension of farm land profits increased by an average 10% per year	
Opportunities (O) consisted of the existence of government support for native chicken meat farm demand for native chicken in Jabodetabek continues to increase a significant increase in people's income	STRATEGY SO increasing the production of native chickens (S1, S2, S3, S4, O1,O2,O3)	STRATEGY WO capacity building for the human resources (W2, W3, W4, W5, O1, O2) producing DOC independently (W1, W4, O1, O2)
Threat (T) The company's competitors are already producing DOC independently the presence of native chicken meat substitute products / cheaper meat infection of virus or illness	STRATEGY ST market penetration (S2, S4, T1, T3)	STRATEGY WT increasing biosecurity (W2, W3, T2)

**Priority Alternative Strategies**

To determine the priority of alternative strategies used AHP-SWOT. Based on questionnaire data processing of the obtained results the expert respondents sequence XYZ CV strategic priorities are listed in Table 5.

The strategy is a top priority at the moment is producing DOC strategy independently. This strategy is one strategy that is an important concern for the company because the current XYZ CV production reached about 3000-4000 individuals per day. DOC production is done independently in addition to creating the ability to meet quality DOC guaranteed, it can also support the company's efforts to increase the volume of existing production to meet market demand.

**TABLE – 4  
THE ORDER OF PRIORITY STRATEGIES XYZ CV**

Strategic priorities	Strategic type	Strategy	Value
1	WO	producing DOC independently	0.406
2	WT	increasing biosecurity	0.214
3	SO	increasing the production of native chickens	0.181
4	WO	capacity building for the human resources	0.106
5	ST	market penetration	0.094

The second strategic priority is the increasing biosecurity. This strategy is a new concept in animal husbandry. Strategy to increase biosecurity done for environmental health for the animals

in terms of bio-range chicken. Biosecurity plays an important role in preventing the spread of disease.

The third priority, the strategy of increasing the volume of native chickens production. Increased production volumes of native chickens can be achieved by increasing the number and improving the system enclosure, increasing the number of cages with cage systems are better equipped to achieve greater production targets.

## CONCLUSIONS

The results of research on value chain analysis showed that there were two channels of activity patterns of supply native chicken meat to consumers. The channel were 1) breeders, distributors, native chicken slaughterhouse, supermarket / restaurant, and consumer 2) breeders, distributors, traditional market. Existing value chain pattern illustrate and that the current whole activities of native chicken meat sales in the company was through the hands of distributors. Distributors distributed the entire production to native chicken slaughterhouse and traditional markets.

Analysis the company internal environment found that the strengths of the company were having experienced human resources on traditional farming, profits increased by an average 10% per year, owning extension of farm land, Good financial condition. While the weaknesses of the company were lacking the skills of human resources, The system is still traditional cages, high mortality rate, high cost of production of native chicken, Not having its own DOC. Analysis of the external environment of the company indicated that the opportunities consisted of the existence of government support for native chicken meat farm, demand for native chicken in Jabodetabek continues to increase, and a significant increase in people's income. Threats that could affect the company were the presence of competitors, the presence of native chicken meat substitute products / cheaper meat, and infection of virus or illness.

Strategy formulation results obtained from the analysis was that the strategy of increasing the volume of domestic production of native chickens (SO), strategic increase human resource capacity building (WO), produced DOC independently (ST), direct marketing strategy (ST), and strategic of biosecurity improvements (WT).

Further analysis to determine the priority of each strategies by using SWOT-AHP analysis resulted in sequence as the following: producing DOC strategies independently, improving biosecurity of the environment, increasing the volume of native chicken production, improving human resource, and direct marketing strategy.

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