

Business Sustainability-Oriented Strategic Planning on Halal Food Products PT Sinergi Brebes Inovatif

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ABSTRACT

PT Sinergi Brebes Inovatif (PT SBI) is a Farmer-Owned Enterprise (BUMP) owned by the Sido Makmur shallot farmer group, focusing on producing halal food from shallots. The company faces challenges and opportunities, including increased domestic and international market share, a role in sustainable shallot farming, and optimization of social roles to empower farmers and surrounding communities. This study aims to: (1) identify and evaluate the influence of business environment factors and PT SBI business model; (2) examine sustainable alternative business strategies for PT SBI; and (3) formulate more sustainable managerial recommendations and implications for the future based on the new business model. Data were collected from interviews, questionnaires, Focus Group Discussions (FGDs), and secondary data from company profiles. The methods used include Triple Layer Business Model Canvas (TLBMC), internal analysis (IFE), external analysis (EFE), internal-external matrix (IE), and SWOT. Based on the results of IFE and EFE, with scores of 3.04 and 3.16, respectively, PT SBI position in the IE matrix is in quadrant I. Therefore, PT SBI needs to improve its business model. Therefore, PT SBI requires intensive and integrative strategies. The hierarchical strategy resulting from the SWOT analysis influences the improvement of the business

model in three factors: economic, environmental, and social.

Keywords: Halal Food, IE Matrix, Sinergi Brebes Inovatif, SWOT, TLBMC

INTRODUCTION

Indonesia is one of the countries that are members of the Organization of Islamic Cooperation (OIC). The OIC is an inter-state organization consisting of 57 member countries, the majority of which are Muslim. One of the programs in the OIC is to focus on the halal economic industry, which includes the halal food sector, halal cosmetics, halal fashion, halal tourism, halal media and recreation, halal pharmaceuticals, Islamic education, and the Islamic finance sector. Halal food commodities are one of the halal economic industry commodities that have great potential to increase export value (Fathoni 2020). However, it is ironic that Indonesia as a country with the largest Muslim population in the world, which according to The Royal Islamic Strategic Studies Centre (2023) has a global Muslim population of 237.55 million by 2022. However, its major role is only as a market or consumer, with a total Muslim expenditure of US\$184.04 billion (Islamic Centre for Development of Trade & DinarStandard 2022)

Indonesia is still not leading as a global producer of halal food products. Even eight out of ten countries exporting halal food

needs to OIC member countries are not from OIC member countries themselves. OIC member countries only supply 22% of halal food needs to other fellow OIC members. Meanwhile, 78% of non-members of the OIC supply halal food needs to OIC countries (Islamic Centre for Development of Trade & DinarStandard 2022). Indonesia as an OIC member, only ranks sixth with a value of US \$ 11.56 billion or supplies only 5% to OIC countries after Argentina and Russia. Then the rest of the need of halal food needs are mostly supplied by non-OIC members. India, Brazil, the USA, Russia, and Argentina are the countries that are the top 10 countries that supply food to OIC.

PT Sinergi Brebes Inovatif is one of the companies in the halal food industry that have a uniqueness in the shallot farming sector. This company was established in 2018 as a Farmer-Owned Enterprise (Badan Usaha Milik Petani) (BUMP) of the Sido Makmur Farmer group in Sidamulya Village, Wanasari District, Brebes Regency. Focusing on halal food, especially onion downstream products which include fried onions, crispy onions to onion paste by obtaining a halal certificate registered at the Halal Product Guarantee Agency (Badan Penyelenggara Jaminan Produk Halal) (BPJPH) of the Ministry of Religion Affairs of the Republic of Indonesia.

Halal-certified food products produced by PT SBI, have a great added value in the market, especially due to the high demand for halal products in Indonesia and OIC countries (Perdani et al. 2022). It is important to note that the added value of a halal certificate is in line with the findings of research conducted by Partini (2022), which shows that there are several factors such as food ingredients, halal certification, and religiosity play a role in influencing consumer buying interest in halal food products. Therefore, the halal certificate owned by PT SBI has the potential to influence buyer preferences for food that meets halal standards.

Based on interviews with PT SBI management, the company faces the

challenge of increasing product sales in the domestic and international markets. They also focus on supporting sustainable shallot farming as part of their long-term strategy. This company located in Brebes Region become the highest user of pesticides in Southeast Asia for shallot farming, with 1,300 pesticide brands circulating in Brebes Region out of 3,200 pesticide brands registered with the Ministry of Agriculture (Lestari et al. 2019). The pesticide residues are believed to be one of the causes of declining soil fertility levels (Wahyuni et al. 2019). Then, the company consider to play an active role in improving the welfare of farmers and surrounding communities for positive effects on local communities and sustainable relationships with stakeholders.

Based on the problems and opportunities faced by PT SBI in the context of the halal food industry that prioritizes sustainability in terms of economic, environmental, and social aspects, it is necessary to develop a more holistic business model. One of the holistic business models is the Triple Layered Business Model Canvas (TLBMC) discovered by (Joyce & Paquin 2016) through the TLBMC framework companies can create long-term value that is balanced between economic, environmental, and social sustainability, so they can survive and thrive in an increasingly complex and rapidly changing business environment.

Research related to the TLBMC business model has been conducted by (Mili & Loukil 2023) to improve sustainability in the fruit and vegetable industry in Spain. The results of this research show that overall sustainability goals can be appropriately represented in the TLBMC framework at both the industry and company levels, allowing for creative process guidance in communicating and implementing business model improvements. In addition to Spain, the application of the TLBMC business model was also carried out in Italy, in the energy-intensive industry (García-Muiña et al., 2020), the results showed that TLBMC can

help companies develop sustainable business models.

The objectives of this study are (1) to identify and evaluate the influence of business environment factors and the current business model at PT SBI; (2) to examine alternative business strategies that can be implemented by PT SBI and; (3) to formulate recommendations and managerial implications based on the new business model. The scope of this research focuses on alternative strategies that will become the basis for forming alternative business models at PT SBI. The basis of this research includes the internal (strengths and weaknesses) and external conditions of the company (opportunities and threats), as well as the Triple Layered Business Model Canvas (TLBMC) business model based on the economy (Economic Layer Business Model), social-based business model (Social Stakeholder Business Model) and environmental-based model (environmental life cycle business model).

MATERIALS & METHODS

This research was conducted at PT Sinergi Brebes Inovatif, which is located at Sidamulya Village Street, Wanasari Sub-district, Brebes Region, Central Java. The location was chosen because Brebes Region is known as the center of shallot production, and PT SBI is the result of an initiative from the formation of the first Farmer-Owned Business Enterprise (Badan Usaha Milik Petani) (BUMP) initiated by local farmers in Brebes Regency. The research was conducted from December 2023 to February 2024.

This research used two types of data consisting of: primary and secondary data. Primary data is obtained from selected respondents, and secondary data is obtained from company profiles. The selection of respondents was carried out through purposive sampling, in which the author chose respondents deliberately with the

consideration that the respondents were people who knew the company well (Sugiyono 2020). Respondents are selected based on qualifications as individuals who understand the company's situation thoroughly or as experts in their fields. This study has two categories of respondents: internal and external. Internal respondents are members of the executive team at PT SBI including the director, general manager, operations, brand and marketing, finance and accounting, purchasing and the head of the factory. Meanwhile, external respondents are individuals outside the company who are company stakeholders who helped the establishment of PT SBI as the first Farmer-Owned Business Enterprise (BUMP) in Brebes Region, including the head of the Indonesian Shallot Association (ABMI), Head of the Brebes Region Agriculture and Food Security Office, Bank Indonesia Tegal PUMKM Consultant, BRI Bank Brebes Branch Manager, Director of Food Distribution and Reserves of the National Food Agency, and the one who believed by management have the opportunity to collaborate on social factors, namely the Brebes Region National Amil Zakat Agency (BAZNAS). They can provide insight for the external factors that influence the halal shallot processed food business. All data that has been obtained is used to achieve research objectives. In this study, the company's internal and external data, and data on the factual state of the company were analyzed with several analytical tools. The analytical tools used include internal factor evaluation (EFE), external factor evaluation (EFE), and internal-external matrix (IE). Through these analytical tools, SWOT analysis is used to form an alternative of company strategies. Another analytical tool which was used is the Triple Layer Business Model Canvas (TLBMC) which consists of three constituent factors: economic, environmental, and social.

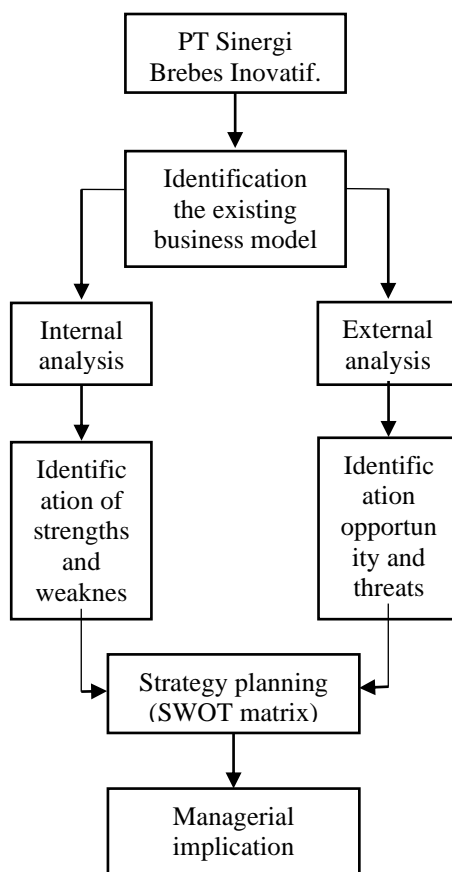


Figure 1. Research Framework

RESULT

Business Environment Condition of PT SBI

The analysis of the business environment conditions of PT Sinergi Brebes Innovative consists of three analytical tools including the Internal Factor Evaluation (IFE) matrix to analyze the company's internal conditions, the External Factor Evaluation (EFE) to analyze the company's external conditions, and the Internal-External (IE) matrix to analyze the company's position and strategies that can be applied by the company. The generation of internal and external factors of the company is done through Focus Group Discussion (FGD) with the management of the company and determine the internal and external factors that are considered as the key to influencing the performance of the company.

There are several parameters observed in the IFE matrix including management, marketing, finance, production, product development, and information systems

(David 2011). The results of the Internal Factor Evaluation (IFE) analysis of PT Sinergi Brebes Innovative can be seen in Table 1.

The results of the IFE analysis in Table 1 show that the company is in a good internal condition, which is reflected in the final score of 3.04, exceeding the threshold of 2.50 as described by (David 2011). Some of the factors that are the strengths of the company include production activities carried out under the principles of Islamic law, as well as the implementation of strong procedures or regulations related to product quality control and appropriate consumer segmentation.

Production activities carried out under Islamic religious principles and strong procedures or regulations related to production quality control are reflected in the company's commitment to ensuring compliance with the standards set by the halal inspection agency in Indonesia (LPPOM MUI).

Through the implementation of good procedures or regulations related to product quality control, PT SBI has succeeded in ensuring that production activities are carried out under Islamic regulations. This has become the company's main strength, especially after obtaining halal certification from the Halal Product Guarantee Agency (BPJPH) then the company has the right to add a halal logo to each of its products. The company's main weakness is the small number of permanent employees, with only 3 people. This weakness can give a big impact if one of them facing problems such as illness or resignation, because each employee is responsible for a different division. PT SBI also suffers from the weakness of dividend distribution that has not gone well. Until now, the company has not implemented dividend distribution to shareholders in the General Meeting of Shareholders (GMS). This delay is due to the priority use of funds, which is more emphasized on covering the costs of depreciation of equipment and production equipment, as well as the allocation of profits for promotional activities according to an agreement with shareholders. The next weakness of the company known from Table 1 is the absence of an information flow management department or unit in the

company due to limited human resources and the belief that information flow can be managed collectively. In addition, the optimization of marketing channels, especially on online channels such as marketplaces and TikTok Shop, has not been running well due to the lack of competent human resources. The company also does not yet have a department or unit that focuses on developing sustainable agricultural products, which could be a weakness given the growing demand for such products in the global market. In the absence of this focus, PT SBI risks missing opportunities to meet market demands and compete with more progressive competitors. In addition to IFE, External Factor Evaluation (EFE) analysis is also carried out to determine the opportunities and threats that affect the company. The generation of external factors is also done through Focus Group Discussion (FGD) with company management. EFE analysis has several parameters that are observed such as economy, socio-culture, environment, demography, politics and government, technology, and also competition (David 2011). The results of the External Factor Evaluation (EFE) analysis of PT Sinergi Brebes Innovative can be seen in Table 2.

Table 1. The result of internal factors of PT SBI

No.	Internal strategic factors	Weight	Rating	Score
Strengths				
1	Production activities are carried out in accordance with Islamic religious regulations	0,12	4	0,47
2	The company has good procedures or regulations related to product quality control	0,12	4	0,44
3	Consumer segmentation has been carried out appropriately	0,11	4	0,40
4	The company's financial condition is good, as reflected in the profits earned	0,11	3	0,37
5	The company is equipped with product development facilities to adapt in global regulations changes in terms of halal food.	0,10	3	0,34
6	Managers in the company have the ability to update existing information	0,10	3	0,34
7	The company has good relationships with partners	0,10	3	0,34
Weaknesses				
1	Small size of permanent employees	0,06	2	0,09
2	The handling of dividen payments has not been running well	0,04	1	0,05
3	There is no department or unit that manages the flow of information within the company	0,04	1	0,05
4	Marketing channels have not been optimized	0,05	2	0,09

5	The company does not yet have a department or unit that focuses on developing sustainable agricultural products	0,05	1	0,05
	Total	1		3,04

The EFE analysis results show a value of 3.16 which exceeds the 2.50 threshold described by (David 2011). This high EFE value indicates that the company has managed to take advantage of existing

opportunities and successfully overcome emerging threats. The EFE analysis also identifies several factors that are opportunities and threats for the company.

Table 2. The Results of external factor analysis of PT SBI

No.	External strategic factors	Weight	Rating	Score
Opportunities				
1	The government has Zakat, Infaq, Sadaqah and Waqf (ZISWAF) instruments that can be used for the empowerment of shallot farming.	0,09	4	0,33
2	Halal certification issued by the government supports company activities	0,09	4	0,33
3	The government supports poverty alleviation	0,09	4	0,33
4	The beginning of public awareness in protecting the environment	0,08	4	0,30
5	The continuity of technology changes in supporting productivity	0,08	4	0,28
6	The company has an advantage over competitors in building relationships with suppliers of raw materials for the company	0,08	4	0,28
7	The influence of changes in consumer lifestyles	0,08	3	0,25
8	Domestic politics support the company's activities	0,08	3	0,25
9	Changes in welfare levels for employees, farmers, housewives and communities around the company	0,07	3	0,23
Threats				
1	The occurrence of inflation	0,06	3	0,14
2	Tax changes in Indonesia	0,04	2	0,08
3	Unstable raw material prices	0,04	2	0,08
4	Volatile currency exchange rates	0,05	2	0,12
5	High cost of technology implementation	0,04	2	0,08
6	Lack of labor that understands the new technology	0,05	2	0,09
	Total	1		3,16

Opportunities for the company include the utilization of Zakat, Infaq, Sadaqah, and Waqf (ZISWAF) instruments supported by the government for the empowerment of shallot farming, halal certification support from the government, government support for poverty reduction, increasing public awareness of the need to protect the environment, increasing technological advances to increase productivity, company excellence in building relationships with raw material suppliers, changes in consumer lifestyles, domestic political support for company activities, and increasing welfare levels for employees, farmers, housewives and communities around the company.

On the other hand, the company also faces several threats such as inflation, taxes, fluctuations in raw material prices, volatility

in currency exchange rates, high costs for implementing new technologies, and, a lack of human resources who understand new technologies.

The results of the IFE matrix and EFE matrix with a score of 3.04 on the company's internal factors, and 3.16 on the company's external factors. Then based on the Internal-External (IE) matrix, the company is in cell I as in Figure 6. According to (David 2011), the cell shows that the company is in a grow and build position where in this position the company has two strategies, namely intensive strategies in the form of market penetration strategies, market development, product development, and integrative strategies in the form of backward, forward and horizontal integration.

SWOT Analysis

The IFE, EFE analysis that produces the IE matrix can then help form a SWOT analysis. The SWOT analysis produces several alternative strategies SO, WO, ST, and WT.

In this study, the results of these alternative strategies are described with a strategic hierarchy consisting of corporate strategy, functional strategy, and business strategy which are described as follows:

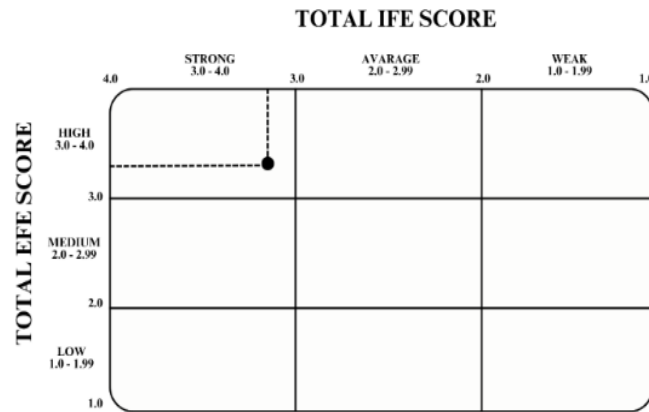


Figure 2. IE Matrix of PT Sinergi Brebes Innovative

Corporate Strategy

1. Empowering shallot farming through ZISWAF instruments (long-term strategy)
2. Strengthening the cooperation with the government and competent partners (long-term strategy)
3. Establishing a strategy and innovation department (long-term strategy)

Functional Strategy

1. Employee training and development (intermediate-term)
2. Optimization of marketing channels (short-term)
3. Formulation of a better dividend policy (intermediate-term)
4. Diversification of raw material supply, products, and markets (long-term)
5. Risk management through Islamic currency hedging (long term)

Business Unit Strategy

1. Expanding product range (intermediate-term)
2. Increasing product innovation with an orientation towards environmentally friendly products (long term)

Identification of Actual Business Model and Alternative Business Model of PT SBI

The business model through the TLBMC framework that combines three factors, namely economic, environmental and social, is outlined in nine blocks for each factor. The actual and alternative business models of PT SBI in the context of economic factors can be found in the illustration in Table 3.

Table 3. Actual and alternative business models of economic factors at PT SBI

<i>Key Partnership</i>	<i>Key Activities</i>	<i>Value Proposition</i>	<i>Customer Relationship</i>	<i>Customer Segement</i>
<ul style="list-style-type: none"> - Farmers and Sido Makmur farmer group - Labor force - Communities around the factory - Local and central government - Onion processing industry - Modern retail - Logistic companies - Bank of Indonesia - Banking - University - Export community* 	<ul style="list-style-type: none"> - Production Planning - Production - Marketing - Sales - Financial Management - Raw material diversification* - Employee training & development* - Adding employees* - Setting dividend policy* 	<ul style="list-style-type: none"> - Farmer-owned company - Unique processed products, halal certified and licensed - The first company to produce shallot paste and crispy onions - Has a large production capacity - ISO 22000:2018* - HACCP* 	<ul style="list-style-type: none"> - Friendly and responsive commitment - Quality assurance and product continuity - Return guarantee offer - Rewards and free shipping facilities - After sales service - Working with third-party partners or agencies* 	<ul style="list-style-type: none"> - Importers or overseas consumers - Onion processing industry - Modern retail stores - Catering - Gift shopsLocal government - <i>End user</i>
Key Resources		Channels		
<ul style="list-style-type: none"> - Abundant & quality production inputs - Adequate equipment & supplies - Full support from government and institutions - Other supporting institutions available, such as research institutes - Product facility development* 		Offline: <ul style="list-style-type: none"> - Reseller - Distributor - Modern gift & retail shops - Festival exhibition - Aggregator* 	Online: <ul style="list-style-type: none"> - Website - Youtube - Social media - Marketplace (Shopee, Tokopedia, Bli-bli) - E-grocery* 	
Cost Structure		Revenue Streams		
<ul style="list-style-type: none"> - Raw material cost - Labor cost - Operating costs - Depreciation costs - Marketing costs - Employee training and development costs* - Product research and development costs* - Cooperation costs with partners* 		<ul style="list-style-type: none"> - Product sales - Clod storage rental - Visits and training - Used cooking oil sales - Empowerment assistance service* 		
*alternative strategies offered				

The results of the research analysis showed that PT SBI has strengths, weaknesses, opportunities, and threats in running its business. This analysis can be used in preparing alternative steps for the company which will be illustrated in the formulation of alternative business model strategies that support company activities following the alternative strategies that have been formed. The formulation of alternative business models from PT SBI on economic factors has additional elements in several blocks. The first block that gets additional elements is the value proposition, the addition to this

element is ISO 22000: 2018 certification and Hazard Analysis and Critical Control Points (HACCP). ISO 22000:2018 certification increases selling points by ensuring food safety from production to consumption (Kukuh Adisusilo et al. 2023). In addition, the implementation of the HACCAP system benefits not only producers but also consumers, such as reducing the risk of disease from food, raising awareness about hygiene, strengthening confidence in food availability, and improving quality of life (Winarno & Surono 2004).

The next block to be added is channel. PT SBI should establish partnerships with e-grocery platforms such as Sayurbox, Happyfresh, Segari, and TaniHub, given that the grocery market in Indonesia is expected to increase significantly with an annual growth of 5.2% over the past two years, making Indonesia become the 13th largest grocery market in the world (Wike 2023).

Revenue streams are blocks of economic factors that get added to the elements. Through the strategies generated from the IE matrix, it results that there are opportunities that can be cooperated between PT SBI and the government regarding the empowerment of shallot farming which leads to an increase in the welfare of shallot cultivators. Through this collaboration, PT SBI can generate additional income, namely through the provision of assistance services for sustainable shallot farming empowerment oriented toward environmentally friendly agriculture.

The key resources block also gains additional elements, PT SBI needs to allocate adequate resources, including facilities for product development, as suggested by the SWOT analysis. Through the development of these facilities, the company can support the environmental friendly product diversification and innovation activities, a long-term strategy to expand the market and increase competitiveness in a competitive market.

Key activities are included in blocks of economic factors that have had elements added to them. The fields of PT SBI have become an area that is vulnerable to threats such as unstable raw material price fluctuations. So to overcome these threats, PT SBI can implement a raw material diversification strategy by looking for suppliers from other farmer groups, which of course is based on Islamic sharia principles which are the foundation of PT SBI's business. As well as adding elements, adding and training employees that specifically focused on strategy and

innovation. PT SBI also have to develop a dividend distribution policy to its shareholders, especially farmers from the Sido Makmur farmer group. This is following the long-term strategy to ensure business sustainability and success. Through the implementation of these strategies, PT SBI can improve its competitiveness, strengthen its position in the market, and provide added value to its shareholders.

Key partnerships are important in identifying strategic partners that influence PT SBI. The current partnerships are in a good condition. However, key partnerships still need to be added and considered to improve the marketing performance by joining the export community, opening new markets, and increasing its international reach. Thus, the addition of strategic work partners such as the export community can have a positive impact on their business growth.

The customer relationship block has been added, namely collaborating with partners who are competent in customer relations, because it was found that one of the company's internal weaknesses is the limited number of workers, so SBI company can collaborate with partners who have certain expertise as one of the solutions that can be adopted. the cost structure block, in line with the various alternative strategies provided, the cost structure element has also been added which includes employee training costs, product development, and partner cooperation, which must be managed efficiently and sustainably.

The business model formulation of PT SBI in environmental factors has additions in several blocks. The blocks that get added are functional value, materials, production, distribution, use phase, and environmental benefits. The addition of elements from the functional value block is by implementing eco-efficiency. Eco-efficiency is a system that prioritizes efficiency in the use of raw materials, energy, and water that has an impact on per unit of product (Rifa'atussa'adah & Bulan 2017). This can take the form of replacing chemical

pesticides with organic pesticides and using sustainable pest control methods to reduce environmental impact. In addition, companies can provide smart farming such as the Internet of Things (IoT). The utilization of IoT in agriculture has many benefits including increased productivity, more efficient resource management, weather and market predictions, improved product quality, reduced operational costs, and pest monitoring (Farooq et al. 2019).

Based on the IE matrix analysis, the backward integration strategy can be applied by SBI company. Then the block materials have also been added, namely by utilizing the use of organic shallot raw materials. This is also in line with the SWOT strategy on the functional strategy, namely diversifying the supply of raw materials by requiring a long period.

Table 4. Actual and alternative business models of environmental factors at SBI Company

<i>Supplies & Out-sourcing</i>	<i>Production</i>	<i>Functional Value</i>	<i>End-Of-life</i>	<i>Use Phase</i>
<ul style="list-style-type: none"> - Electricity - Gas - Oil - Food packaging 	<ul style="list-style-type: none"> - Sorting raw material - Peeling shallots - Washing - Processing according to the suitable product - Packaging - Storage - ISO 14045:2012* 	<ul style="list-style-type: none"> - <i>Eco-Friendly</i> - <i>Eco-Efficiency</i> * - <i>Smart farming*</i> 	<ul style="list-style-type: none"> - Extends the consumption period by 8 months to 1 years - Fried onionsnya that are close to expired date can be returned to be re-processed into flour or crackers 	<ul style="list-style-type: none"> - Ready to eat with zipper packaging - Bioplastic packaging*
Materials		Distribution		
<ul style="list-style-type: none"> - Shallots - Onion paste (onion, tapioca starch, water, salt, ascorbic acid, propylene glycol) - Crispy onion (onion, vegetable oil, food flavoring) - Fried shallots (shallots, vegetable oil, cornstarch, rice flour, food flavors) - Eco-friendly organic shallots* 				Land: <ul style="list-style-type: none"> - Trucks - Car - Three-wheeled motorcycle - Two-wheeled motorcycle Sea: <ul style="list-style-type: none"> - Ship Air: <ul style="list-style-type: none"> - Airplane <i>Green logistic*</i>
Environmental Impact (-)		Environmental Benefits (+)		
<ul style="list-style-type: none"> - Air pollution during production - Bad odor from leftover pasta production - Waste distribution to consumers 		<ul style="list-style-type: none"> - Convert the used cooking oil into biodiesel - Produce animal feed from onion skin - ISO 14001:2015* 		
*alternative strategies offered				

Table 5. Actual and alternative business models of social factors at SBI Company

<i>Local Communities</i>	<i>Governance</i>	<i>Social Value</i>	<i>Societal Culture</i>	<i>End User</i>
<ul style="list-style-type: none"> - Sido Makmur Farmer Group - Indonesian Shallot Association - People surrounding the company - Horticultural MSME 	<ul style="list-style-type: none"> - Unique organizational structure - Positions the farmers to fulfill the key positions - Participation and transparency 	<ul style="list-style-type: none"> - Provides added value for farmers - Empowering 120 housewives - Improves the welfare and the quality of life of employees, farmers and the surrounding community through Zakat and Sadaqah 	<ul style="list-style-type: none"> - Lifestyle changes that prioritize practicality and product durability - Shifting culture of sustainable and environmentally friendly cultivation* 	<ul style="list-style-type: none"> - Groups of people who need and use halal shallot processed food products that have good quality, hygienic,

	<ul style="list-style-type: none"> in decision-making - Decision-making through consultation with farmers - Leadership style* 	instruments*		unique, and practical.
	<p><i>Employees</i></p> <ul style="list-style-type: none"> - Permanent employees - Non-permanent employees - Close relationship among employees - Focuses on empowering local labor - increases in the number of employees* 		<p><i>Scale of Outreach</i></p> <p>Good relationship with stakeholders</p>	
Social Impact (-)			Social Benefits (+)	
<ul style="list-style-type: none"> - Complaints from surrounding communities due to noise pollution during the production process - Impact of overtime policy 			<ul style="list-style-type: none"> - Farmer & community empowerment - Job creation - Innovative product development - Improved welfare of farmers and communities* - Stakeholder trust* 	
*alternative strategies offered				

In the production block of environmental factors, the company has produced products with a strong commitment to eco-friendly. However, improvements or additions that can be applied by PT SBI are implementing the ISO 14045: 2012 standard. This standard focuses on production activities by paying attention to the product life cycle. Currently, the distribution used by PT SBI includes land, sea, and air. The selection of this distribution channel was chosen according to the distance from the company to consumers. Improvements from distribution that can be added to this factor are by setting green logistics. Green logistics is a logistics model that considers social and environmental aspects in addition to functional and economic aspects (Rukmayadi et al. 2016). This is in line with the SWOT strategy alternative analysis that

the company must increase product innovation by orienting towards environmentally friendly products, which of course includes the procurement of raw materials, the production process, and product distribution.

The use phase block or product usage phase also has elements that can be added, namely replacing product packaging with bio-plastic packaging. Through bio plastic packaging that has anti-microbial properties, it can make a positive contribution to human health and environmental sustainability (Erwin Yuwono Kristanto et al. 2023). This is also a form of alternative strategies that have been formed in the SWOT analysis that has been formed, namely with alternative strategies to diversify products or services and increase product innovation oriented towards environmentally friendly

products.

The environmental benefits block, is in line with alternative business models in other blocks such as protecting the environment, such as using pesticides according to levels or replacing chemical pesticides with organic pesticides, carrying out sustainable integrated pest control, implementing eco-efficiency and ISO 14045: 2012, smart farming, green logistics, to the use of bioplastic packaging. So by protecting the environment must be proven by the company's activities that are standardized internationally through ISO 14001: 2015. ISO certification can be strong evidence that the company in its production process does not pollute the environment.

Furthermore, the results of the formulation of alternative social factor business models from PT SBI, there are several additions to some of its blocks as described in Table 5, including social value, employees, governance, societal culture, and social benefits. Empowerment through sustainable training and developing shallots farming can be added by the company to improve the welfare and employees life quality, farmers, and the surrounding community through the capital aspect obtained from Zakat and alms instruments organized by the Amil Zakat Institution (LAZ) for the social value. Through this, the welfare of employees and farmers can be increased. This is in line with research conducted by (Anwar Sani 2022) that the utilization of zakat and alms for productive programs by applying maqoshid syariah principles to the implementation of Amil Zakat Institution (LAZ) can be done as a form of effort to improve the welfare of farmers.

Employee or workforce is a crucial aspect in shaping the optimal performance of a company. Currently, PT SBI has a limited number of employees, that are 17 employees, with the 3 of them are being permanent and the others as contracted employees. Thus, it is necessary to add an element to this block by the addition of the number of permanent employees. Through the addition of permanent employees and

ensuring labor needs are met is a key prerequisite for PT SBI, which strengthens the reciprocal relationship.

Governance or leadership in a company has an important role in the running of the company. The welfare and sustainability of the company can be influenced by leadership. Two leadership styles can be applied, Such as the good leadership style provides new views in solving problems, as well as transactional leadership which focuses on the reward and punishment system (Odumeru & Ogbonna 2013), and transformational leadership which focuses on influencing company members. These two leadership styles have not been seen in the company's existing business model. However, both can be used to positively influence the company's workforce and resources, as well as support the implementation of the company's strategy and maintain the value proposition of the product.

There are some improvements or additions to the societal culture factor, through alternative strategies that have been formulated in the environmental business model, namely eco-efficiency and replacing materials with shallots from organic cultivation, as well as in alternative SWOT strategies with agricultural empowerment and increasing environmentally friendly product innovation. So the addition of societal culture has the potential to emerge the culture of shallot shifts cultivation towards sustainable and environmentally friendly agriculture.

Currently, the company has social benefits in the form of farmer and community empowerment, job creation, and innovative product development. Two additional elements can be added to this block, such as (1) improving the welfare of farmers and communities through collaboration strategies with the government in poverty alleviation with ZISWAF funds. (2) increasing stakeholder trust by implementing ISO 22000:2018, HACCP, ISO 14045:2012, and ISO 14001:2015 standards to increase the trust and selling

points of the company, especially in labor health and welfare. This step strengthens the company's position as a socially and environmentally responsible business actor.

Managerial implication

This research provides several managerial implications that can be applied by SBI Company to deal with the problems faced, survive, and develop business. The company's first problem is the challenge of increasing market share in halal processed food products produced by PT SBI in the domestic and international markets. Through this research, several alternative strategies were formed that could be carried out by the management of PT SBI. The first alternative strategy is to strengthen cooperation with the government and competent partners in optimizing marketing channels. In addition, PT SBI can establish a strategy and innovation department to train and develop employees, and expand the product range with environmentally oriented products.

Managerial implications for the second problem related to PT SBI's responsibility in supporting sustainable agriculture can be done by implementing eco-efficiency, using organic pesticides, and adopting sustainable agricultural practices such as integrated pest control and smart farming. In addition, the company can also apply international standards to support sustainable agriculture with ISO 22000: 2018, HACCP, ISO 14045: 2012, and ISO 14001: 2015 standards. The company can also implement green logistics in its product distribution process and replace the product packaging with bio-plastic which can help to reduce the environmental impact.

The last managerial implication is in utilizing opportunities to optimize the company's social role by empowering farmers and surrounding communities. The alternative strategy is that PT SBI can cooperate with the government or zakat and waqf institutions for sustainable agricultural empowerment, and can earn additional income through empowerment assistance

services. To implement this strategy, the company needs to increase the number of employees, provide training, and develop existing employees.

CONCLUSION

Based on the identification of internal and external conditions, there are several weaknesses and threats were identified. One of the main weaknesses is the small number of permanent employees, which has an impact on less-than-optimal marketing channels and handling dividend payments. There is no specialized department that manage information flow and sustainable agricultural product development. Threats such as inflation, taxes, and unstable raw material prices are become the concern of this. However, internal strengths such as Shariah-compliant production practices, good product quality procedures, and appropriate consumer segmentation can help to overcome these weaknesses. There are other opportunities that can be utilized, such as halal certification from the government, poverty alleviation support, and ZISWAF instruments for sustainable agricultural empowerment.

Hierarchical strategy formulation is generated based on the growth and development of the company condition, include market penetration, market development, product development, and backward, forward, and horizontal integration. The alternative business model combined with the actual strategy provides additional economic, environmental, and social factors that are useful in answering the company's three main challenges: increasing market share, supporting sustainable agriculture, and optimizing social roles by empowering farmers and surrounding communities.

This research provides several managerial implications that can be applied by SBI Company to deal with the problems faced, survive, and develop business. The company's first problem is the challenge of increasing market share in halal processed food products produced by PT SBI in the

domestic and international markets. Through this research, several alternative strategies were formed that could be carried out by the management of PT SBI. The first alternative strategy is to strengthen cooperation with the government and competent partners in optimizing marketing channels. In addition, PT SBI can establish a strategy and innovation department to train and develop employees, and expand the product range with environmentally oriented products.

Managerial implications for the second problem related to PT SBI's responsibility in supporting sustainable agriculture can be done by implementing eco-efficiency, using organic pesticides, and adopting sustainable agricultural practices such as integrated pest control and smart farming. In addition, the company can also apply international standards to support sustainable agriculture with ISO 22000: 2018, HACCP, ISO 14045: 2012, and ISO 14001: 2015 standards. The company can also implement green logistics in its product distribution process and replace the product packaging with bio-plastic which can help to reduce the environmental impact.

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Companies are advised to implement the results of the formulation of strategies that have been studied, as well as maximize their strengths and take advantage of their opportunities. In addition, further research can continue the study of the impact of strategy implementation and the development of alternative business models that have been formulated.

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