

Development of Standard Operating Procedures for Personal Selling and Website for B2B MSME: A Case Study of MSME Business Coaching

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Abstract - With the growth of Indonesia's economy, there has been a rise in demand for competency in Indonesia's enterprises (MSME) to deliver the best products and services. The recent COVID-19 pandemic has increased the challenges to the MSME's sustainability. PT. Gemilang Karya Bersama Lestari is one of the B2B MSME located in Jakarta, which is also greatly affected by the pandemic. The current study used a business coaching method to develop a corrective action to solve the problem. Several internal analyses such as business process, business model canvas, STP, and marketing mix were combined with external analysis such as Porter's five forces, and PESTEL to create the SWOT analysis and establish the TOWS strategy. This article's output is to help this MSME to create a marketing strategy through personal selling and digital marketing by creating SOP for personal selling activities and developing the business' website. This article highlights the MSME efforts to combat the weakening in the demand caused by both the pandemic and the lack of strategic management in the first place.

Keywords – B2B, business coaching, MSME, personal selling, SOP, website development

I. INTRODUCTION

The term MSMEs which means Micro, Small, and Medium Enterprises is well known throughout Indonesia. By total, these MSMEs have contributed higher GDP compared to the large enterprises. In 2018, MSMEs had a share of 60.9% of the total GDP of companies in Indonesia and its workforce was the highest proportion with 96.8% of all workers in Indonesia working at MSMEs. From 2015 throughout 2019, there has been a consistent growth of the number of MSMEs in Indonesia by at least 2% per year^[1]. This increased competition means that companies must be able to provide effective steps and decisions to maintain the development of their companies. This can be done in terms of how the company can maintain the market, keeping consumers from moving to other competitors while it tries to reach or generate new customers^[2].

From the various industries these MSMEs are in, there is an industry that has specific activities to repackage materials or products into smaller packages for individual consumption. This industry is called the repackaging industry which produces sachet products such as sachet sugar, brown sugar sachets, palm sugar, creamer, and others. This repackaging industry tends to cater to the needs of hospitality businesses (hotels,

restaurants, and cafes), thus the high dependency on the tourism industry in Indonesia. But with the Covid-19 pandemic that happened in Indonesia, the tourism sector is one of the sectors that has been hit the most compared to other sectors. This is also caused by government policies implementing PSBB regulations which prevented tourism activities.

One of the repackaging industries is PT. Gemilang Karya Bersama Lestari. Located in Jakarta, this MSME was founded in 2009 and has been operating ever since. This MSME main product consists of white sugar sachet, brown sugar sachet, creamer sachet, coffee sachet, as well as other condiments needed by hospitality industries. Their main customers usually are hotels, restaurants, cafes, and also their distributors to distribute and extend the reach of their product. The MSME has enjoyed its rapid growth as the new company in the early 2010s. However, the company eventually experienced stagnation for the past 3 years. This was caused by poor strategic management or lack thereof. One of the core weaknesses was there was no activity in their marketing department whatsoever. Almost all their sales were the result from their distributors or customer that contacted the company through passive WoM (Word-of-Mouth) marketing.

The Covid-19 pandemic proved to be a serious blow to the MSME as it reduced the demand for their product significantly. Although over time the demand has started to recover, it triggered a distress call for introspection that they need better marketing practices to improve their condition short and long term. Thus, this paper will explain the improvement in their marketing activities through the business coaching program.

II. METHODOLOGY

Business Coaching is qualitative research from a case study. In implementing this Business Coaching, the author used several stages that started from data collection that is composed by primary data and secondary data, then continued to the analysis with the owner and the manager of the MSME to confirm the gaps along with the proposed solutions to solve the problems.

The Primary data is used as the main reference in analyzing the gaps or problems that exist in the MSMEs. These data were obtained from interviews with the owner of the MSME and its employees, along with direct observation by the researchers to the activities of the

KEY PARTNERS - Supplier of raw materials - Distributors - Banks - Freelances and day workers - Certification institutions	KEY ACTIVITIES - Marketing and product introduction. - Sachet product production - Production of packaging from sachets. - Making custom packaging according to customer requests. - Carry out the licensing process for products that are produced and circulated. - After sales service.	VALUE PROPOSITION - Food products packaged in small sachets that can protect the quality of the product contents properly. - Packaging design can be custom made or with labels according to customer requests. - High Quality Control for each product to ensure quality. - Company with BPOM qualifications, halal MUI, ISO 9001:2015 and SNI. - Raw materials that have the appropriate specifications and permits.	CUSTOMER RELATIONSHIP - Flexibility in the payment method	CUSTOMER SEGMENTS Behavioral Factors: - Companies or organizations that require quality sachet products and have complete licenses and legalities. - Distributors who will continue/distribute sachet products together with other products. - Business that needs to show their brand to their sachet products Organizational Characteristics - Organizations belonging to the Tourism sector, especially Horeka (Hotels, Restaurants, Cafes) Geographical. - Jakarta, Bandung, Yogyakarta, and the whole island of Java.
KEY RESOURCES - Assets (Packing Machines, Warehouses, Buildings, office equipment) - Human resources who have a good level of tenacity, thoroughness, and discipline. - Qualifications from BPOM, halal MUI, ISO 9001:2015, and SNI.			CHANNELS - Internal Marketing Department (Personal Marketing) - Third party distributors - Whatsapp, Email, and Telephone	
COST STRUCTURE Fixed Cost = Employee salaries, electricity, taxes, water, building maintenance, cloud service. Variable Cost = Raw materials, transportation, maintenance/repair of assets/machines, freelance and daily wages.			REVENUE STREAM - Revenue from sales of sachet products	

Fig. 1. Business Model Canvas PT. Gemilang Karya Bersama Lestari

MSME. The interview methods used unstructured interview which consists of multiple questions about the business processes such as the production, marketing, purchasing, and general departments.

The Secondary data is obtained from MSMEs documentation along with the external literature studies, articles, journal, textbooks, and other source of material to add further insights and information related to the business process of MSME. This data is helpful to obtain the best practice methods that has the potential to be used in solving MSME's problems.

The next stage is continued by doing data analysis which consisted of business model canvas (BMC), SWOT, and TOWS to create the gap analysis through pareto table. From there problems were identified and the solutions were proposed. Those solutions then implemented and evaluated. Based on previous research, 2 main focuses will be implemented, to create the Standard Operating Procedure (SOP) for Personal Selling and the development of company's website.

III. RESULTS

A. Business Model Canvas

Business Model Canvas or BMC can describe the entirety of business processes and activities by identifying the product or service the company is planning to sell, what the target market is, and any anticipated costs to create the product or service. BMC helps growing companies to attract investors' attention and recruitment process. It can also inform the management and staff about the business processes. The BMC itself is composed

of 9 blocks that list the key businesses as presented in Fig. 1.

Some of the notable points are that marketing and product introduction were listed in the BMC but those 2 activities were never implemented, nor it has any guide, not even the manpower. Second is that the customer segments listed both companies in need of sachet product and the distributor, while in the reality that the proportion of the sales were weighted heavily towards sales to distributor. This caused high dependency towards these distributors.

Strengths • Certifications from BPOM, MUI, SNI, and ISO. • Provide hygienic sachet products, consistent dosage, protected, and add value to customer prestige. • Produce custom labels according to customer requests and assisted with the licensing process. • Competitive and flexible prices according to consumer demand. • HR capabilities that are thorough, tenacious, and prioritize quality. • Strong relationship with the distributors.	Weaknesses • Minimal marketing effort with personal selling. • No sales target • No website or e-commerce activities • Company Profile has not been updated • No employees for marketing activities • Currently cannot get new employees • No training for employees regarding marketing activities • Slow and inefficient legality process.
Opportunities • Few competitors have their own websites. • The high use of digital media such as websites, e-commerce, and social media by the public and business people. • The tourism and hospitality sector continues to grow throughout Indonesia. • Many potential customers who have not been introduced yet • Employees with a relatively young age who have a high determination to learn and take on challenges	Threats • The tourism sector is one of the sectors most affected by the pandemic. • The demand for sachet products is fluctuating and difficult to predict. • Only the distributor who has direct contact and control with the user. • Supplier with high bargaining power • Emerging Competitors who do not have the appropriate license (illegal).

Fig. 2. SWOT PT. Gemilang Karya Bersama Lestari

	<i>Strengths</i>	<i>Weaknesses</i>
<i>Opportunities</i>	• Create websites that provide information of the company and the products. Can also be used to strengthen the strength of relations with distributors. (S1, S2, S3, S4, S6, O1, O2, O4) • Start selling via e-commerce to expand the scope of distribution (S2, O2, O3, O4) • Create Customer Relationship Management or CRM Strategies (S5, S6, O4)	• Make SOP personal selling and implement them (W1, W2, O3, O4) • Creating a website and starting sales in e-commerce (W3, O1, O2, O4) • Recruit new employees or dedicate existing employees to marketing and digital marketing activities (W3, W5, W6, W7, O2, O4, O5) • Update Company Profile to support personal selling activities (W3, W5, O3, O4) • Make SOP and IK (Work Instructions) related to legality and licensing management (W8, O5)
<i>Threats</i>	• Creating CRM to obtain information about market situations and conditions of competitors (T1, T2, T3, T5, S6) • Strengthen personal selling and digital marketing activities (T2, S1, S2, S3, S4, S5) • Expands the customer segment to the medical sector such as hospitals (T2, S1, S2) • Expands information networks regarding existing suppliers to obtain stable raw material prices (T4, S5) • Making SOPs regarding the arrangement of stock of finished goods and raw materials (T1, T2, S1, S5)	• Setting sales targets that are in accordance with the situation and conditions affected by the COVID-19 pandemic (T1, T2, W2) • Actively implement personal selling to expand distribution coverage and reduce dependency on distributors (T2, T3, W1, W2, W3) • Make Personal Selling SOPs and provide training (T1, T2, T3, W1, W5, W6, W7) • Provide socialization to distributors and customers regarding the importance of permits and legality (T5, W1, W5, W6, W7, W8) • Create a Company Profile (T3, T5, W4) • Create websites and e-commerce accounts (T2, T3, W3, W5, W6, W7) • Instruct the marketing department as well to communicate with external purchasing (T4, W7)

Fig. 3. TOWS Matrix PT. Gemilang Karya Bersama Lestari

B. SWOT Analysis

SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is a procedure for evaluating the competitive position of the company and for making strategic plans. SWOT analysis assesses internal and external factors, as well as the future potential of the company. Based on previous analysis, the SWOT can be obtained as presented in Fig. 2.

C. TOWS Matrix Analysis

TOWS Matrix is a tool that can be used to analyze, create, compare, and select business strategies to achieve company goals and targets. There are 4 kinds of strategies that can be developed in this case, namely SO (Strengths - Opportunities), ST (Strengths - Threats), WO (Weaknesses - Opportunities), and WT (Weaknesses - Threats). These strategies are described in the table below with the bold points were the focus of this business coaching program.

D. Pareto Analysis

Ideally, the company would like to do all the solutions mentioned in TOWS Matrix. But due to limited resources, it is necessary to make a priority scale using Pareto analysis. This analysis can sort problems based on the level of urgency and difficulty of the solution to the problem.



Fig. 4. Pareto Chart Analysis

IV. DISCUSSION

A. Developing SOP Personal Selling

To improve the marketing effort and activities, it is decided that the best way to solve this problem is to create a thorough and detailed procedure to help salesperson in doing their marketing activities called as SOP Personal Selling. This SOP also functions as a basic method of doing personal selling, thus making the learning process for the new sales to be more efficient and might be done without direct mentorship.

The Personal Selling procedure itself is divided to 7 steps, which is an expansion from the 6 steps of Personal Selling^[3]. These 7 steps are (1) Prospecting and Qualifying, (2) Pre-approach, (3) Approach, (4) Presentation and Demonstration, (5) Overcoming

Objections, (6) Closing, and (7) Follow-up and Maintenance. The content and the procedures in this SOP are also adapted to the condition of the business environment in the industry by the experiences and insights from the owner of the MSME to better suit the real-world application. As such the preparation of the Personal Selling SOP, references from theories are used and combined with what has been done by PT. Gemilang Karya Bersama Lestari in its past personal selling activities. The writing of the SOP also used the SOP format according to the SNI ISO 9001: 2015 format because there was already an SOP in company management with this format.

B. Developing Company's Website

Website is one of the elements that can be used to give information without the needs of direct interaction between the company and the customers and to spread awareness about the company itself. This is what PT. Gemilang Karya Bersama Lestari needs as this MSME previously had no marketing activities in the digital area. By making its own dedicated website, this MSME can properly forward its customer to the website for further details, while also using SEO (Search Engine Optimization) can also spread its brand awareness to increase its demand.

Due to limited budget, the website had to be created without the help from web developer consultants and had to be built alone. For that reason, the coach recommended the MSME to use Wix.com to easily create and design their website. The website is divided into 4 main pages, first page is the home page as shown in figure 4, which includes general information about the company and the activities. Second page is About us, which explains with detail about the company and the certifications the company has. Third page is Product list, which lists with detail about the range of products that the company offers. Last page is Contact us, which gives the user a form to contact the company for further interaction. This can also be used as an order quotation.

To create an effective website design, 7C Website Design Framework were used. That 7C factors are context, commerce, content, community, customization, communication, and connection^[4]. It is then expanded again by website elements in B2B online communication to 14 elements, those are structural elements, corporate elements, atmospheric, aesthetic, graphic imagery, and multimedia, ergonomics, navigation, and usability, contact, access, and interaction, customizable elements, links, community, marketing communications integration, online demonstration, online price quoting, integration platforms, value adding elements, and online data collection^[5]. After that, SEO (Search Engine Optimization) methods were used to increase the effectiveness of the website appearing in user's search

results in the search engine^[6].

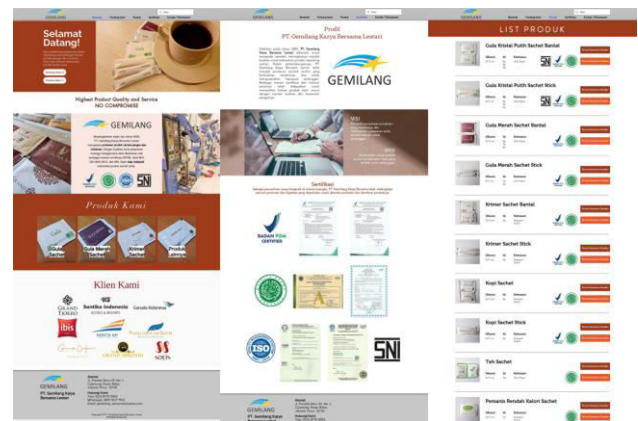


Fig. 4. Website of PT. Gemilang Karya Bersama Lestari

V. CONCLUSION

According to the analysis that has been carried out to PT. Gemilang Karya Bersama Lestari and along with the identification of the problems, several solutions were applied to fix those problems.

First, about creating the SOP Personal Selling. From the earlier analysis it has been known that the company has never done any kind of marketing activities and heavily relies on its distributors to contact the company first to sell their products to the consumer. This caused a stagnation for the past 2 years and worsened by the pandemic. To mend this problem, a SOP for Personal Selling was made to give guidance for marketing activities in personal selling. Several theories were used and combined with the experience the owner had from previous marketing activities. This SOP explains several stages in doing personal selling, they are prospecting and qualifying, pre-approach, approach, presentation and demonstration, overcoming objections, closing, then the last will be follow-up and maintenance. Along with the written SOP, the sales will also be equipped with the newly designed brochure and business card to help present themselves and the company to the potential customer. Some of the hurdles in the overcoming objections phase like the duration to create a production permit for customer products were also sped-up with the new method to give another competitive advantage. This SOP and the supporting equipment should be able to help PT. Gemilang Karya Bersama Lestari in doing their marketing activities and also to give training guidance to new salesforce.

Second, about developing Company's Website. With the fast development of digital marketing in the world, especially in the developing countries like Indonesia, it is very important for companies to have their own website. As such, the development of a website has been done to give information about PT. Gemilang Karya Bersama Lestari and also as a way to communicate with their

customers. To create an optimal and informative website, several theories are used. The website was designed with a design element framework called 7C. Those are context, commerce, content, community, customization, communication, and connection. Those elements then expanded and combined to further detailed elements. Some of the elements were picked according to the needs of the company in its objective of creating its website. With this newly built website, there should be improvement in brand awareness of the company, along with information communication capability from the company to its customers.

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