

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Business management in the era of globalization is always changing, if Entrepreneur want business to exist and survive, Entrepreneur need to keep up with environmental developments that are not static or change all the time. Business Development is determined by the ability to build a strategy. Because with a strategy, a business can help provide awareness about the direction want to go. Every business must use a strategy to grow its business. Not only big businesses that have a strategy, small companies also have to be managed strategically that their business is more advanced.

According Nasfi (2021) explains about strategy is the key to success in business, strategy is one of the most important factors in survival and competition in business development in terms of innovation through the use of its human resources as an effort to meet the needs of its customers. In addition, strategy is also defined as a comprehensive activity plan that is systematically arranged and is general in nature, because it can be known by everyone who runs a business, but what are the tactics in a business. Efforts to implement the strategy in achieving the goals that have been implemented, must be kept secret and not everyone can know about it. Thus, business strategy can be defined as a comprehensive general approach that directs the main actions of the company.

Moreover, the meaning of strategy is a pattern of decisions in a business that determines and discloses goals, purposes and objectives that produce policies, plans to achieve goals. Business strategy applies to all companies, be it large companies or small companies, and business strategy only focuses on determining how the company will compete and positioning itself among its competitors. Therefore business strategy most often starts with what can happen

not what happens. Purpose of this business strategy is to face and outperform competitors.

The unstable national economic situation affects the regional economy. In an effort to accelerate economic growth, Indonesia strongly supports the existence of Micro, Small and Medium Enterprises (MSMEs). As a first step to getting business ideas, it is necessary to make an observation of existing MSMEs, thus can take their knowledge to apply. In addition, it is also necessary to look for existing opportunities to be developed. Considering the increasingly rapid growth of goods and services needed by consumers, both in quantity and type. Therefore, this encourages to satisfy consumer needs by producing goods and services according to consumer desires. Therefore, what the seller can do is be able to provide satisfaction to consumers.

The wood-based industry has long been one of the pillars of the Indonesian economy. The wood-based industry has a long history of contributing to the economy, both through foreign exchange and job creation. The history of the forest product industry began with the use of forest wood in the early 1970s through a wood processing development program. In the 1990s, Indonesia succeeded in controlling the export market of the world's tropical timber industry. After that, because the production of natural forest wood (HA) continued to decline, Indonesia was no longer a major player in the world market. During the economic crisis of 1999 to 2000, the forest product industry was at its lowest point, many wood processing companies went bankrupt.

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economic crisis of 1999 to 2000, the forest product industry was at its lowest point, many wood processing companies went bankrupt.

According to Kartajaya 2002 in Kurniawan (2018) Marketing is not only one of the company's functions, but is a strategic business concept which contains positioning, differentiation and branding. Marketing is very important in order to increase added value and increase revenue. Every marketing strategy must take into account contemporary knowledge and the increasingly stringent requirements of marketing activities increase the effectiveness in applying that knowledge. While all can significantly increase the sales in accessing the market, there are also facing increased competition.

The problem that is being faced in the field of the Mahkota Jati craft industry which is located at street Bantan (Bengkalis Bantan Border) is a lack of marketing problems that many do not know about the teak crown business. Even though their business has been established for 4 years, the business is still not developing well. The problems faced by small entrepreneurs can be overcome if there is a balance between improvement efforts from the internal and external sides, namely by improving the quality of human resources thus entrepreneurs are able to improve business management.

From the description above, The Mahkota Jati on Bantan Bengkalis Regency needs to implement the right business development strategy that the business continues to be known by the wider community, researchers are interested in researching about "Mahkota Jati business development strategy in Bantan "Business Development Strategy for The Mahkota Jati in Bantan".

## **1.2 Formulation of problem**

Based on the background of the research above, the main problem is "What is The Strategy for Developing a Creative Business for Furniture from Mahkota Jati in Bantan"

### **1.3 Purpose of study**

Based on the formulation of the problem that has been described above, the purpose of this research is to:

1. To find out the strategy for the development of a creative business, The Furniture Business from Mahkota Jati
2. To find out the obstacles in the Strategy of Developing a Creative Business for The Furniture Business From Mahkota Jati.
3. To find out solutions to face obstacles in the Strategy of Developing a Creative Business for Furniture made of Mahkota Jati

### **1.4 Significant of the study**

Based on the information above, The Authors can mention the benefits of research, namely:

1. For Companies (CV)

The benefit of this research for the company is that it is expected that the company can develop a creative furniture business strategy that is useful in managing furniture

2. For Institutions

The benefit of this research for the Bengkalis State Polytechnic is that it is expected to be a reference and add to the literature collection of the Bengkalis State Polytechnic.

3. For Researchers

The benefit of this research for researchers is that it is expected to be a development of knowledge in future research, as well as reference material, especially in the field of strategy of developing a creative business furniture

### **1.5 Scope and limitations of the problem**

Based on the background of the problem that has been described, The Author can identify the scope of this research, which is about the creative business development strategy of Mahkota Jati furniture in Bantan.

## **1.6 Writing system**

In order for the writing of this thesis report to be systematic and well-organized, it is necessary to write a systematic report. The following is a systematic thesis report writing, namely:

### **CHAPTER I: INTRODUCTION**

In Chapter 1, explains the background of the problem, research objectives, benefits of research, scope and limitations of the problem as well as writing a systematic report.

### **CHAPTER II: LITERATURE REVIEW**

This chapter describes the previous theories and previous research that will be used in completing the research.

### **CHAPTER III: RESEARCH METHODOLOGY**

This chapter will explain the implementation plan, starting from the location, time and object of research, types and sources of data, data analysis methods, types of research, research schedule and research budget.

### **CHAPTER IV: RESULTS AND DISCUSSION**

This chapter describes the research results, discusses the research results obtained and the limitations of the study.

### **CHAPTER V: CONCLUSIONS AND SUGGESTIONS**

In this chapter The Author will explain the conclusions and suggestions of the research conducted. A summary of the results of writing in the previous chapters which are included in the conclusions and suggestions for improvement at The Author's place.