

STRATEGIC BUSINESS PLAN FOR ESTABLISHING A BUILDING MATERIALS STORE IN TASIKMALAYA

Budi Mahmud Saputra

Magister Management, Widyatama University, Jalan Cikutra No. 204A
E-mail:budi.mahmud@widyatama.ac.id

ABSTRACT

The production of building materials has become a well-established industry in many countries, and the use of these materials is typically segmented into specialized trades, including carpentry, plumbing, roofing, and insulation work. This study examines the feasibility of establishing a building supply store under PT Toko Bangunan BMS, using Timmons' entrepreneurial model and Internal-External Factor Analysis.

Based on the Timmons Model of Entrepreneurship, PT Toko Bangunan BMS is considered feasible to operate. This conclusion is supported by several key factors, including a large and expanding market potential, which provides a positive foundation for the company's growth and sustainability. Furthermore, with the support of qualified human resources and a well-structured management team, PT Toko Bangunan BMS has a strong opportunity to achieve competitive advantage and successfully capture a significant share of the market.

Key words: Business Planning; Feasibility Study; Timmons Model; Internal-External Factor Analysis

INTRODUCTION

The high demand for housing, the ongoing infrastructure development, and the parallel population growth present opportunities for the establishment of building materials businesses. In 2017, the retail building materials industry grew by 16.5 percent compared to the same quarter in the previous year. This increase in retail activity demonstrated the improving condition of Indonesia's economy and the expanding property market in 2017.

Building materials are substances used for construction purposes, such as those required for residential housing. Common types include wood, cement, aggregates, metals, bricks, concrete, and clay—selected primarily for their cost-effectiveness in construction projects. Many naturally occurring materials, such as clay, sand, wood, and stone, as well as organic materials like twigs and leaves, have historically been used in construction. In addition to these natural materials, a wide range of human-made or synthetic materials are now also utilized. The production of building materials has become a well-established industry in many countries, and the use of these materials is typically segmented into specialized trades, including carpentry, plumbing, roofing, and insulation work. These materials form the foundation of human habitats and built structures, including residential housing (Nasution, 2019).

Therefore, the building materials business can be categorized as a highly prospective sector since the demand for such goods remains constant throughout the year and is not influenced by seasonal factors. However, with the rapid growth of this industry, competition among building material retailers has become increasingly intense. Consequently, it is essential to conduct a comprehensive business analysis to ensure market sustainability and competitiveness.

To analyze the internal and external conditions of a company, it is necessary to apply Porter's Five Forces Analysis—a strategic business framework introduced by Porter (2011). This model identifies structural aspects within an industry that determine competitive strength and overall profitability.

Porter's Five Forces Analysis is a strategic management tool developed to evaluate the competitive dynamics within an industry. It aids in understanding and analyzing the various factors that influence the intensity of competition and profitability, such as the degree of rivalry among existing competitors, the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, and the threat of substitute products. The outcome of this analysis helps determine whether a particular industry remains attractive for investment and long-term operation. The following section presents a Porter's Five Forces analysis of the building materials retail industry.

Table 1. Porter's Five Forces Analysis Map

Five Forces	Level	Description
Industry Rivalry	High	The number of competitors in the building materials retail industry in Tasikmalaya is relatively large, resulting in a high level of competition. However, this condition also provides opportunities for businesses to dominate the market by offering superior products and high-quality services.

Threat of New Entrants	Moderate to High	The substantial initial capital requirements, economies of scale, and product differentiation create entry barriers that make it more difficult for new players to enter this industry.
Bargaining Power of Suppliers	Moderate to High	When there are few suppliers for certain materials, they tend to have stronger bargaining power. Suppliers that offer specialized or high-quality products possess even greater negotiating leverage.
Bargaining Power of Buyers	Moderate	The large number of customers (both individual and corporate) provides them with moderate bargaining power. The availability of alternative suppliers and competing stores enables consumers to compare product quality and prices more easily, thereby increasing their influence in purchasing decisions.
Threat of Substitute Products	Moderate	Technological advancements pose a potential threat by introducing substitute materials that could replace traditional building materials.

Source: Processed by the Researcher, 2024.

The five competitive forces within the building materials retail industry are generally positioned at a high level of competition. This condition corresponds with the strong and growing market demand. Therefore, conducting a sustainability analysis is essential to ensure the long-term viability of the business, enabling it to remain competitive and achieve optimal profitability.

The level of competition is a crucial element in Porter's Five Forces analysis. Assessing the strengths and weaknesses of competitors serves as an important foundation for formulating effective business strategies to remain competitive within the industry. The following section presents a competitive analysis map of four major competitors in the building materials retail industry in Indonesia, particularly within the Tasikmalaya region.

Table 2. Competitor Analysis Map

Competitor	Strengths	Weaknesses
RKM	<ul style="list-style-type: none"> - Wide range of product variations - Diverse pricing, from lower- to upper-middle market segments - Strategically located and easily accessible - Broad market reach 	<ul style="list-style-type: none"> - Limited distribution and logistics facilities
Ace Hardware	<ul style="list-style-type: none"> - Extensive product variety - Wide price range - Well-established marketing network - Availability of online sales channels 	<ul style="list-style-type: none"> - Product offerings are not specifically focused on building materials
Depo SS Bangunan	<ul style="list-style-type: none"> - Highly diverse and comprehensive product selection - Mid-to high-range pricing - Good facilities 	<ul style="list-style-type: none"> - Distant location - Lack of online sales through e-commerce or marketplace platforms
General Building Materials Stores	<ul style="list-style-type: none"> - Varied product assortment - Affordable pricing for lower- to middle-income consumers - Easily accessible locations 	<ul style="list-style-type: none"> - Operates using a conventional business system

Source: Processed by the Researcher, 2024.

Observation of these four established brands indicates that they represent the closest competitors to PT Toko Bangunan BMS. The business currently being developed by PT Toko Bangunan BMS focuses on establishing a modern building materials store while transforming the way consumers purchase construction supplies through the introduction of an innovative e-commerce platform. This platform aims to enhance accessibility, improve product quality, deliver superior customer service, and optimize logistics to ensure faster delivery. Through this strategic initiative, PT Toko Bangunan BMS seeks to meet the evolving needs of customers, capitalize on market opportunities, and achieve sustainable growth.

METHOD

This study employs a descriptive and qualitative analysis method using a case study approach. The qualitative descriptive analysis method focuses on understanding social phenomena through descriptive and narrative data to obtain an overview of the business environment. The analysis was conducted by examining the conditions, processes, characteristics, and outcomes of certain variables that had not been previously identified, and then

comparing them against Timmons’ criteria. Data were collected through in-depth interviews, observations, and document analysis.

The research object comprises both the internal and external business environments, which serve as the foundation for conducting the study and developing the business plan. The analysis assesses business feasibility based on market aspects, competitive advantages, and economic factors.

RESULTS AND DISCUSSION

According to Timmons and Spinelli (2008), the analysis of business formation, size, opportunity, resource conditions, and team composition can be described as follows:

1. Business Opportunity

A business idea serves as the initial capital required by entrepreneurs before starting their ventures. This idea emerges from a thought process driven by the identification of market opportunities or gaps. These opportunities are then analyzed using appropriate methods and further developed based on the entrepreneurs’ creativity and capacity for innovation. One of the initial steps in identifying opportunities involves observing competitors. Such observation helps generate new ideas, improve product or service quality, and enhance operational systems. Innovation may occur across various aspects of the business, including marketing, finance, human resources, and material quality. Although competitor analysis and benchmarking are crucial for identifying best practices, direct imitation is not always feasible, as each company must assess its own capabilities for implementation. Therefore, the ATM technique (Observe – Imitate – Modify) can be applied to adapt and innovate effectively. Through this approach, there emerges a potential opportunity to establish a digitized building materials store, aligning with current technological and market trends.

2. Resources

Resources are essential for capturing market share, maintaining sustainable customer relationships, and maximizing profitability. The available resources include physical assets such as transportation vehicles for goods distribution, offline store facilities, and other supporting equipment. In addition, human resources—employees actively involved in various business processes—play a critical role in ensuring operational efficiency and service quality.

3. Management Team

Although the company’s digital system has not yet been fully implemented and still relies on manual processes, the owner and employees maintain strong collaboration and partnership to achieve organizational goals. Their teamwork and mutual support form the foundation for the company’s growth and successful transition toward digital transformation.

The SWOT analysis—an acronym for *Strengths, Weaknesses, Opportunities, and Threats*—is a strategic tool used to support the development of a company’s business strategy. This analytical framework provides a clear depiction of the various internal and external factors that influence the development and performance of a business activity. By employing SWOT analysis, companies can identify marketing development strategies, as well as their inherent strengths and weaknesses.

Table 3. Internal–External Factor Analysis Summary (IFAS–EFAS) of PT Toko Bangunan BMS

	Strengths (S)	Weaknesses (W)
EFAS / IFAS	1. Availability of sufficient capital 2. Availability of store and warehouse facilities 3. Accessible online store for customers 4. Online transaction system	1. Ineffective promotional strategies 2. Absence of financial recording system 3. High minimum order quantity 4. Limited number of employees
Opportunities (O)	SO Strategies	WO Strategies
1. Increasing public interest and transactions through online platforms 2. Positive growth of construction development in Tasikmalaya City 3. Expansion of subsidized housing projects in Tasikmalaya 4. Few sellers in the online marketplace for hardware and building materials	1. Conduct various promotional campaigns on marketplaces and social media. 2. Encourage customers to leave reviews or feedback on social media and marketplaces after making a purchase.	1. Increase human resources to enhance service quality. 2. Expand promotional networks to reach broader audiences. 3. Develop promotional innovations such as discounts and special offers. 4. Implement regular financial recordkeeping.

Threats (T)	ST Strategies	WT Strategies
1. Emergence of new competitors	1. Maintain consistent product quality and competitive pricing.	1. Develop and enhance the overall quality of customer service to increase satisfaction and loyalty.
2. Price competition among rivals	2. Create detailed and accurate product descriptions to strengthen consumer trust.	2. Strengthen promotional efforts through both mass media and online platforms to reach a wider audience and improve brand visibility.
3. Competitors' promotional activities attracting customers		3. Offer special pricing or loyalty discounts for customers who make bulk purchases or frequent repeat transactions.
4. Decreasing consumer purchasing power		

The IFAS–EFAS matrix above illustrates the strategic alternatives derived from internal and external environmental factors influencing PT Toko Bangunan BMS.

- The SO (Strength–Opportunity) strategy leverages internal strengths to seize market opportunities, focusing on digital marketing and customer engagement.
- The WO (Weakness–Opportunity) strategy emphasizes internal improvement by addressing operational weaknesses such as limited human resources and recordkeeping, while capitalizing on growing online demand.
- The ST (Strength–Threat) strategy focuses on using strengths such as product accessibility and online transactions to mitigate competitive threats through pricing and product information transparency.
- The WT (Weakness–Threat) strategy involves defensive measures, including improving service quality and offering customer incentives to maintain loyalty amid rising competition.

Table 4. EFAS and IFAS Weights

Strategic Factors	Weight	Rating	Score
Strengths			
Availability of capital	0.20	4	0.80
Availability of a store and warehouse facility	0.15	4	0.60
Existence of an easily accessible online store	0.10	2	0.20
Online transaction capability	0.10	1	0.10
Weaknesses			
Ineffective promotional activities	0.20	4	0.80
Absence of financial recording system	0.10	3	0.30
Relatively high minimum order requirement	0.05	1	0.05
Limited number of employees	0.10	2	0.20
Total IFAS	1.00		3.05
Opportunities			
Increasing public preference for online purchasing platforms	0.15	4	0.60
Significant growth in property development in Tasikmalaya	0.15	4	0.60
Expansion of subsidized housing projects in Tasikmalaya	0.10	1	0.10
Limited number of marketplace sellers in the building materials industry	0.15	4	0.60
Threats			
Emergence of new competitors	0.25	4	1.00
Price competition among existing players	0.05	1	0.05
Competitors' promotional efforts attracting customers	0.05	1	0.05
Decline in consumers' purchasing power	0.10	3	0.30
Total EFAS	1.00		3.30

Source: Processed by the Researcher, 2024

Based on the results of the Internal Factor Analysis Summary (IFAS) matrix, the total score for the company's strengths is 1.70, which is higher than the total score for weaknesses, amounting to 1.35. This indicates that PT Toko Bangunan BMS possesses stronger internal capabilities compared to its weaknesses, positioning the company favorably to sustain and expand its operations.

Meanwhile, the External Factor Analysis Summary (EFAS) shows that the total score for opportunities is 1.90, exceeding the total score for threats, which is 1.40. This finding suggests that the external environment presents substantial opportunities for PT Toko Bangunan BMS to grow and adapt amid the dynamics of the building materials industry.

From these results, the following scores were obtained:

- IFAS (Strength – Weakness) = 0.35

- EFAS (Opportunities – Threats) = 0.50

These values indicate that the company's position lies in Quadrant I of the SWOT Matrix, a condition where both internal strength and external opportunity are high. Therefore, the most appropriate strategic approach for PT Toko Bangunan BMS is a growth-oriented (aggressive) strategy, in which the company leverages its internal strengths to capitalize on expanding market opportunities.

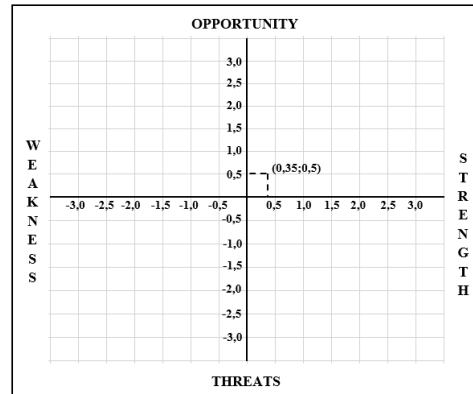


Figure 1. SWOT Quadrant Matrix

These values indicate that the company's position lies in Quadrant I of the SWOT Matrix, a condition where both internal strength and external opportunity are high. Therefore, the most appropriate strategic approach for PT Toko Bangunan BMS is a growth-oriented (aggressive) strategy, in which the company leverages its internal strengths to capitalize on expanding market opportunities.

CONCLUSION

Based on the Timmons Model of Entrepreneurship, PT Toko Bangunan BMS is considered feasible to operate. This conclusion is supported by several key factors, including a large and expanding market potential, which provides a positive foundation for the company's growth and sustainability. Furthermore, with the support of qualified human resources and a well-structured management team, PT Toko Bangunan BMS has a strong opportunity to achieve competitive advantage and successfully capture a significant share of the market.

REFERENCES

- Nasution, A. (2019). Building materials and construction industry in Indonesia. Jakarta: Pustaka Konstruksi Indonesia.
- Porter, M. E. (2011). Competitive advantage: Creating and sustaining superior performance. New York, NY: Free Press.
- Timmons, J. A., & Spinelli, S. (2008). *New venture creation: Entrepreneurship for the 21st century* (7th ed.). New York, NY: McGraw-Hill/Irwin.