

Competitive Strategy of Sunan Drajat Islamic Boarding School Business in Lamongan



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ABSTRACT: Pondok Pesantren Sunan Drajat (PPSD) is one of the Islamic boarding schools that has a high spirit of economic independence, by establishing several Institution-Owned Business. This Business Unit seems to be developing its units so that they are spreading domestically and internationally. This is due to strategic management that accommodates business, especially in its competition. The purpose of this study was to determine the competitive strategy of Pondok Pesantren Sunan Drajat Islamic-owned business. This study uses a qualitative approach that aims to explain the competitive advantage strategy of the PPSD business unit and SWOT analysis. The results showed that the PPSD business unit implemented all competitive strategies based on sharia principles, which in carrying out their activities were based on benefit. In conclusion, PPSD Business Unit uses an image of differentiation strategy in marketing for its products to stay ahead in the midst of many similar business.

KEYWORDS: Islamic Boarding School Independence, Competitive Strategy, Sunan Drajat Islamic Boarding School Business, Sharia Principles.

INTRODUCTION

Pondok Pesantren is an educational institution that will play an important role in the implantation of character in Indonesia and an agency that is responsible for the purposes of national education. However, the direction of direction in boarding schools is moving on a broader aspect of society and prosperity. Efforts are being developed to achieve a planned goal, one of which involves a layer of society in the economic activities of Islamic boarding school. One of these boarding schools besides having an education program but also has a high spirit of economic independence is the cabin drajat paciran (PPSD). PPSD business unit is a business unit that was established to make the drajat cottage an economically independent lodge and not dependent on government or other assistance. For the first time, PPSD is a form of pay-per-view technology, which will boost both the growth rate and the poverty rate. They are not only domestic but also abroad.

The PPSD Business Unit greatly develops all the factors it has to increase profits, products and marketing so that it is widely spread both domestically and abroad. In addition to product improvement, the business unit established by PPSD aims to alleviate poverty. Based on philosophy Sunan Drajat has 4 pillars, one of which is poverty alleviation. The development certainly has a management strategy that accommodates business units, especially in business competition. The emergence of competitors for the PPSD business unit is a challenge for the company. The existence of competitors, companies must make more efforts to make consumers make purchases. Therefore, it is necessary to formulate an appropriate management strategy.

Porter (2008) competition is a from success, the company will have a competitive advantage if the company is in a favourable condition from five main competitive factors, namely the entry of new entrants, the threat of substitute products, the bargaining power of buyers, the bargaining power of suppliers as well as competition among existing competitors. One of the methods used to face competition is to use industrial competitiveness. However, according to Hussein Umar (2001) the implementation of strategic management theory applied by several experts is considered to do everything possible to earn a profit, including exploiting the weaknesses of other companies to make the company number one. Then the competition is so fierce between companies to take market share from other companies without looking at the condition of competing companies and also not placing human capital in the right position. Meanwhile, according to Amin (2010) world-class organizations know that they do not put money as the most important thing in their work, their success depends on creating an organization based on unity, fairness, honesty, respect, service, and so on.

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According to Husein Umar (2001) doing business in Islam must not violate sharia, both in strategy, process and practice and so on, as explained in the sharia strategy. Sharia strategic management is a series of processes of Islamic management activities that include the formulation, implementation, and evaluation of strategies to achieve organizational goals, where Islamic values become the basis of strategy in all organizational activities, which are carried out by the principles of monotheism, worldly-ukhrawi orientation, and mardhatillah motivation. This is based on one of the provisions in Islamic business as stated in the letter al-Jaatsiyah verse 18:

مَجْعَلْنَاكَ عَلَىٰ شَرِيحَةٍ مِّنَ الْأَمْرِ فَاتَّبِعْهَا وَلَا تَتَّبِعْ أَهْوَاءَ

الَّذِينَ لَا يَعْلَمُونَ

"Then We have made you follow a course in the affair, therefore follow it, and do not follow the low desires of those who do not know."

Thus, based on a concrete explanation of the research context, researchers are interested in researching the PPSD business unit, which certainly has the advantage of a different competitive strategy, because the PPSD business unit has a different orientation to the culture found in an Islamic boarding school. In particular, the purpose of establishing the PPSD business unit itself is to eradicate poverty based on the four philosophies of Sunan Drajat. This research is expected to be used as a study of the application of competitive strategies based on sharia principles with the title "Competitive Advantage of Sunan Drajat Islamic Boarding School Business in Lamongan)."

LITERATURE REVIEW

Competitive Advantage

David (2001), Competitive advantage is the development of the value a company is able to create for its buyers. Competitive advantage is something that allows a company to earn higher profits than the average advantage obtained by competitors in the industry. Competitive advantage is at the heart of a company's performance in a competitive market. Competitive advantage basically grows from the value or benefits that a company can create for its buyers. If the company is then able to create advantages through one of the three generic strategies, it will get a competitive advantage.

Value Chain

Porter (2008) suggests that the value chain is a systematic way to analyze the sources of competitive advantage by examining all the activities carried out by the company and how these activities are integrated with each other. The value chain consists of nine categories of activities linked into one activity category. Activities are divided into two activities, namely primary activities and supporting activities. Porter (1990) states that primary activities are those involved in the physical creation of products and final sales. Divided into generic categories that are needed in increasing value in the industry, namely: inputs, operations, outputs, marketing and sales, and services. Then what is meant by supporting activities are activities that support primary activities and support each other. Divided into four categories, namely purchasing, technology development, human resource management, and corporate infrastructure

Porter's Diamond Model

Porter (1993) a country gains a competitive advantage if the company (those in that country) is competitive. The competitiveness of a country is determined by the industry's ability to innovate and improve its capabilities. Companies gain competitiveness due to pressures and challenges. The company benefits from competition in the domestic market, aggressive domestic suppliers, and high demand local markets. Porter's diamond model consists of four factors, namely: condition factors, demand factors, related and supporting industries, industry strategy, structure and competition.

Porter's Five Forces

Porter's five forces is a widely used approach to developing strategy in a variety of industries. According to Porter, the nature of competition in an industry can be seen as a combination of five forces, namely: competition between companies, the threat of entry of new competitors, the threat of substitute products, the bargaining power of suppliers and the bargaining power of consumers.

RESEARCH METHODS AND MATERIAL

This research is a research using a qualitative approach (qualitative research) with a case study method (Case Study). Data and sources of research data using primary data obtained from interviews and observations and secondary data in the form of documents, scientific journals, available reports and other data. The data collection is used by the technique of observation, interviews, documentation and observation. To check the validity of the data found, the

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techniques used by the researchers were extended observations, increased persistence, and triangulation. The qualitative analysis method used by the researcher is SWOT analysis.

Table 1. SWOT Analysis

	Internal	Strength	Weakness
Eksternal	Opportunity	Comparative Advantage	Divesnment/Invenstment
	Threats	Mobilization	Damage Control

RESULT AND DISCUSSION

Sunan Drajat Islamic Boarding School Business Unit has internal and external strength factors in all types of business units. The following describes the results of the internal and external strength factors owned by the Sunan Drajat Islamic Boarding School Business Unit:

Strength

- There is support from the central and local government in Lamongan Regency.
- There is cooperation between the caregivers of the Sunan Drajat Islamic Boarding School with the Head of the Economy and employees.
- The alumni of the Sunan Drajat Islamic Boarding School is growing and spreading almost all over Indonesia.
- The name and product quality of the well-known Sunan Drajat Islamic Boarding School.
- Have good relationships with business partners and customers.
- Has 13 business units located in the boarding school area and the majority of the surrounding community are very obedient to caregivers and teachers

Weakness

- Location of business units far from the city center
- Limited quality of human resources and still need training and development
- Lack of production time
- Less variety of products
- Production equipment is still simple
- Ineffective marketing/promotion

Opportunity

- Local government support is very large for Islamic boarding school business units
- The culture of the surrounding community about the benefits of using the products of the Wali Songo Islamic Boarding School peninggalan
- Located in an Islamic boarding school area and the majority of the surrounding population is very obedient to the boarding school and teachers
- Opportunities in the acceptance of new members
- Potential to build broad partnerships with other institutions or business units.
- The potential to add new members with the addition of alumni and students
- Utilization of technological advances

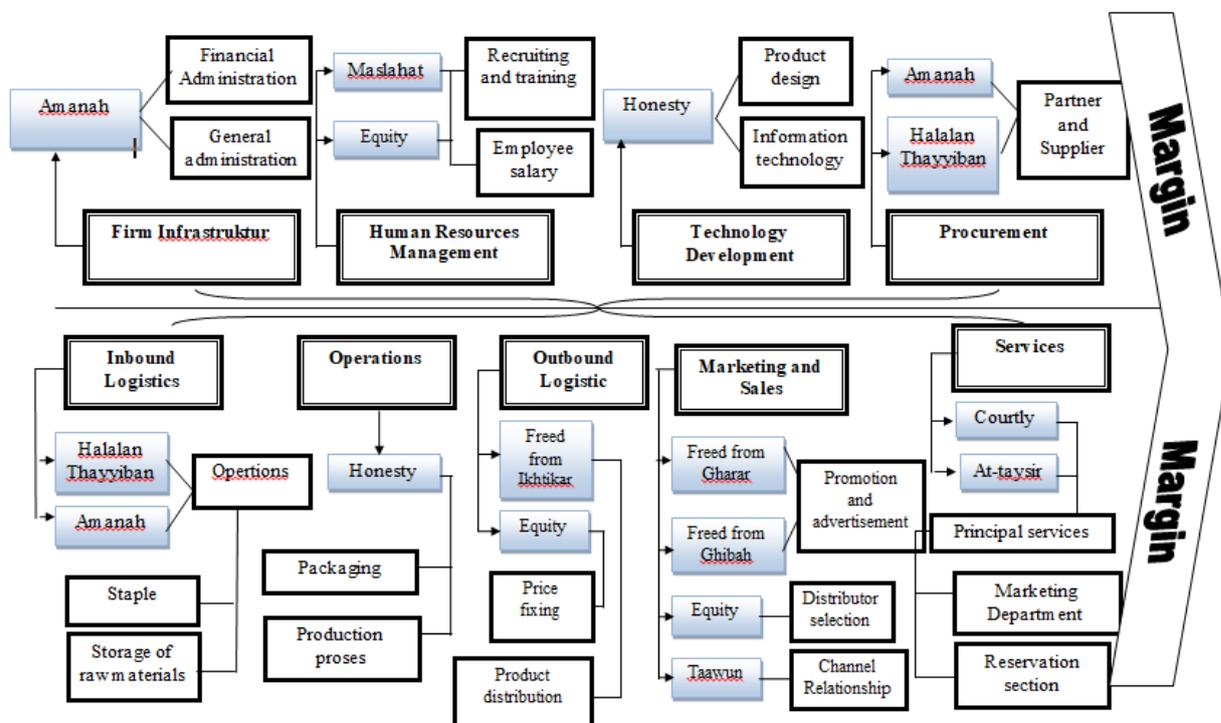
Threats

- The emergence of similar competitors and tends to be the same
- Political rumors in favor of a political party
- Other business units that offer low prices
- The emergence of new products from similar businesses

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The findings in the field and from the value chain analysis found that the Sunan Drajat Islamic Boarding School business unit implements the Halal Value Chain which is in accordance with Akidah and Sharia (Islamic laws). The application of the Halal Value Chain business unit of the Sunan Drajat Islamic Boarding School can be described as follows:

Picture 1. Value Chain Cycle Perspective of Sunan Drajat Islamic Boarding School Business Unit



From the picture above, it can be concluded that in carrying out its main activities in the inbound logistics category, the Sunan Drajat Islamic Boarding School business unit applies the principle of halalan thayyiban on raw materials and trusts in the storage of raw materials. Because in carrying out the production process the main measure is the value of the benefits (utility) taken from the results of the production. As for the operations category, the Sunan Drajat Islamic Boarding School business unit applies the principle of honesty in the production and packaging process. Meanwhile, in today's society, dishonesty (lie) has become a common practice. This has happened in the economic world or the business world, even companies in Indonesia, especially in Lamongan Regency, are still lacking in implementing the principle of honesty because it is only in the interests of the entity itself and without prioritizing the people around the entity to run its business.

Then the outbound logistics category, where the distribution of Islamic Boarding School business unit products can be said to be free from ihtikar and timely delivery of goods to consumers and has the principle of fairness in determining the price of goods, because Islam forbids piling or hoarding goods (Ihtikar), although Islam guarantees individual freedom in buying and selling and competing, but Islam forbids individual selfishness and greed in accumulating wealth for their own interests. The Sunan Drajat Islamic Boarding School business unit markets and sells its products free from gharar or deception, free from backbiting (dignifying other people's products) in promotion and applying the principles of justice and taawun in the selection of distributors. The services provided by all employees of the Sunan Drajat Islamic Boarding School business unit are by providing convenience to customers (at-taysir) and being polite to every buyer and not having gharar.

Meanwhile, if we look at the supporting activities, namely, Corporate Infrastructure, it applies to the principle of trust in the general administration and finance divisions. As for human resource management, applying the principles of benefit and fairness to all employees. Research, technology and system development in business units apply honesty to design and information technology, the last one. Whereas in purchasing, the business unit has the principle of trust or mutual trust and trust in business partners or consumers.

The results of the Porter's diamond model analysis found that the business unit of the Sunan Drajat Islamic Boarding School applies sharia principles, so that the existence of a business unit at the Sunan Drajat Islamic Boarding School is expected to have a positive impact on society and support the fulfillment of Islamic economic goals in achieving masalah. the presentation of the Porter's diamond model discussion on the business unit of the Sunan Drajat Islamic Boarding School based on the research results that have been described as follows:

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1. The relationship between the components of the company's strategy, structure and competition between industries with conditional factors shows a mutually supportive relationship. This can be seen in the business unit strategy of the Sunan Drajat Islamic Boarding School which can be said to be optimal enough to increase the competitiveness and advantages it has.
2. The linkage of conditional factors with supporting and related industries that support each other, especially in terms of raw materials.
3. Mutually supportive linkages occur in the components of demand conditions and supporting and related industries. This happens because the goods traded by the Sunan Drajat Islamic Boarding School business unit are goods that are always needed by the community.
4. The relationship between supporting and related industries and company strategy, structure and competition between industries from the perspective of the Sunan Drajat Islamic Boarding School is said to be mutually exclusive. Seeing conditions on the ground that supporting and related industries do not directly contribute to the development of the Sunan Drajat Islamic Boarding School business unit
5. The relationship between demand conditions and company strategy, structure and competition between industries are mutually supportive. Creating an image or brand can build an image that will strengthen consumer preferences and the stigma of society towards the characteristics of the Sunan Drajat Islamic Boarding School will affect demand

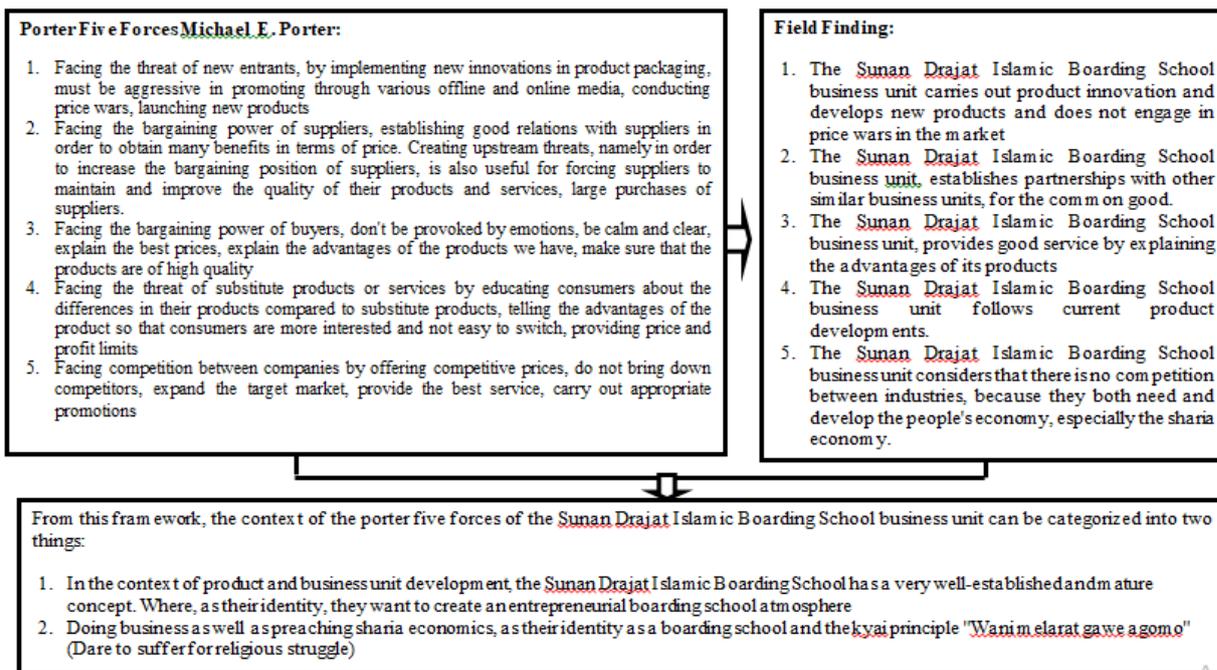
The relationship between factors outside the main component consisting of the government's role and opportunities (opportunities) outside the main component, namely the supporting components consisting of the government's role and opportunities (opportunities) can be seen in the following table:

Table 2. Interrelationships between Major Components of Porter's Diamond Model

No	Component A	Component B	Linkages Between Components	Information
1	Government Role	Factor conditions	Support	The government provides assistance to business units through the Revolving Fund Empowerment Agency (LPDB)
		Supporting and related industries	Support	Provision of noni plant seeds
		Demand conditions	Support	Government program that provides guidance to the One Islamic Boarding School One Product (OPOP) business unit
		Firm strategy, structure and Rivalry	Support	Establishment of the 2019 Islamic boarding school law
2	Role of Opportunity	Factor conditions	Support	The condition of the Paciran area that supports it as an area that has quite large and potential land and natural resources
		Supporting and related industries	Support	Increasing public demand for halal products will increase related and supporting industries
		Demand conditions	Support	As the Muslim population increases and technology advances,
		Firm strategy, structure and Rivalry	Support	There is an opportunity for the Sunan Drajat Islamic Boarding School business unit to enter the international market

While the facts on the ground related to the Porter Five Forces strategy at the Sunan Drajat Islamic Boarding School business unit, as follows:

Table 3. Matching Point between Theory and Field Findings



Based on the results of the analysis of the value chain, porter dynamic diamond and porter five forces as described in the previous chapter, the researcher tries to analyze the strategy used by the business unit of the Sunan Drajat Islamic Boarding School. In this context, the Sunan Drajat Islamic Boarding School business unit uses an image differentiation strategy in marketing its products to stay ahead in the midst of many similar business units. This needs to be considered by the Sunan Drajat Islamic Boarding School business unit so that its products develop and advance.

CONCLUSIONS AND SUGESTIONS

From the research results, the Sunan Drajat Islamic Boarding School business unit applies the Halal Value Chain which is in accordance with Akidah and Sharia, where in carrying out its activities based on the principles of benefit, honesty, justice, free from gharar and trust. While the results of the analysis of the Porter diamond model found that the business unit of the Sunan Drajat Islamic Boarding School applies sharia principles, with the relationship between the main factors supporting each other. The results of the Porter Five Forces can be obtained that from the field data there are several components with the theory and there are some that are not in accordance with the theory. From the analysis that has been mentioned above, it can be concluded that the Sunan Drajat Islamic Boarding School Business Unit uses an image differentiation strategy in product marketing to remain superior in the midst of many similar business units.

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