

Decision-Making Plan for the Development of SS Culinary Business Locations in the Jabodetabek Area

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Abstract— SS culinary business has 85 branches spread across the islands of Java and Bali. Managed under one management headquartered in the city of Jogjakarta and seven area management offices. Before the Covid 19 pandemic, this culinary business place had planned to establish a new branch, but it stopped. However, in the future SS management will continue to expand its business by establishing new branches. Seeing the development of the branches and the good customer response, in the future, we are planning to add 1 branch in the Jabodetabek area. Determination of the location is something important that greatly affects whether or not sales in the new branch are sold. To choose between the many potential locations is not easy. One of the methods used to determine which location to choose is by making a selection. Selection is the stage to decide whether a location has potential or not. The decisions taken are expected to be objective in accordance with the needs of the management of the special Sambal waroeng to increase revenue. Decision making to determine which alternative location to choose is not only based on several criteria, but consists of many criteria determined by the business development team.

Keywords— Plans, decision making, new branch locations, AHP

I. INTRODUCTION

SS culinary business was established in 2002 in the form of a five-foot tent on the side of Kaliurang Street, adjacent to the Graha Sabha Pramana building, Gadjah Mada University, Yogyakarta. The persistence of business owners and their employees in running the culinary business has yielded good results. Customer trust increases from time to time, the growth of this SS waroeng business branch also continues to increase. At the age of 16 years, Waroeng Spesial Sambal already has 85 branches spread across the islands of Java and Bali. Managed under one management headquartered in the city of Jogjakarta and seven area management offices, namely Jabodetabek with 15 branches, Semarang area with 15 branches, Jogjakarta area with 17 branches, Solo area with 15 branches, Malang Raya area with 7 branches under management, Purwokerto Perintis area with 10 branches managed, Bali area with 3 branches and Malaysia area with 1 branch and frenchise management with 4 branches managed. Currently, the owner continues to expand his business by adding new branches in cities in Indonesia. The market potential in the Jabodetabek area is very large, while the

branches managed in the Jabodetabek area have only 15 branches spread across the city of Tangerang with 3 branches, 3 in the South Tangerang city area, 5 in the Tangerang district, while 2 others are spread across West Jakarta and 1 branch each in Bekasi City and 1 branch in Bogor City. Before the Covid 19 pandemic, this culinary business place had planned to establish a new branch, but it stopped. However, in the future SS management will continue to expand its business by establishing new branches. Seeing the development of the branches and the good customer response, in the future, SS management plans to add 1 branch in the Jabodetabek area.

Determination of the location is something important that greatly affects whether or not sales in the new branch are sold. To choose between the many potential locations is not easy. One of the methods used to determine which location to choose is by making a selection. Selection is the stage to decide whether a location has potential or not. The decisions taken are expected to be objective in accordance with the needs of the waroeng management to increase revenue. The decision making to determine which alternative location to choose is not only based on several criteria, but consists of many criteria determined by the business development team. For example, a strategic location, large land area, the economic level of the local community, a comfortable atmosphere, close to the raw material supply market, and so on. The formulation of the problem in this study is how to make decisions about the location of new branch openings in the Jabotabek area.

II. LITERATURE REVIEW

According to Fandy Tjiptono (2002) "Location is a place where a company operates or where a company carries out activities to produce goods and services that are concerned with its economic side." Site selection is one of the decisions that must be made carefully. Previous studies have found that the location of the business is related to the success of the business (Nurul Indarti, 2004). The location selection was driven by considerations of the size of transportation facilities, public transport routes, economic level, area, security, land prices, and human resources. According to Kotler (2008), one of the keys to success is location, the location starts with

selecting the community. This decision is highly dependent on the potential for economic growth and stability, competition, climate, politics, and so on. Before a company establishes a factory, it is usually planned as well as possible because the location affects the operating / production costs, selling prices, and the company's ability to compete in the market (Subagyo, 2000). Location selection is required when a company establishes a new business, expands existing businesses or moves the company location to another location

According to Susanto, the Analytic Hierarchy Process (AHP) method is able to help solve complex problems by structuring a hierarchy of criteria, interested parties, results and by drawing various considerations in order to develop weights or priorities. This method also combines the power of feelings and logic concerned on various problems, then synthesizes various various considerations into results that match our estimates intuitively as presented in the considerations that have been made (Susanto et al, 2018). According to Hutagalung, A & Hasibuan, S (2018) the AHP method has been widely applied by various industry variations and has proven its quality in explaining the priority scale of choice based on expert judgment and proposed criteria. With these advantages, the AHP method can make it easier to determine alternative workshops by considering several specified criteria.

AHP is basically designed to determine the best priority from several alternatives which have their respective importance. AHP is widely used in decisions for many criteria, planning, resource allocation and prioritization of strategies that players have in conflict situations (Tahriri, F., et al., 2008). AHP is widely used for decision making in solving problems in terms of planning, determining alternatives, prioritizing, selecting policies, allocating resources, determining needs, forecasting results, planning results, planning systems, measuring performance, optimization, and solving conflicts.

III. RESEARCH METHODOLOGY

The research method used was survey and interview methods. The next steps are:

1. Develop a Hierarchical Structure. After compiling the main objectives as the top level, a hierarchical level will be arranged under it, namely the suitable criteria for considering or assessing the alternatives we provide and determining these alternatives. Each criterion has a different intensity. The hierarchy is continued with sub-criteria and the last is an alternative.
2. Develop a questionnaire. At this stage the researcher will form a questionnaire to calculate the pairwise comparison of each criterion, sub-criteria, and alternative location. In this questionnaire, there are four main criteria, namely geography, cost, infrastructure and legality and security. Each criterion will be divided into sub-criteria. The research questionnaire is in the form of criteria that are considered important by decision makers based on the results of the discussion. The scale used in this comparison questionnaire is a scale of 1 to 9.

3. Data Processing and Analysis. In the data processing stage using the AHP method
4. Then carry out further analysis using the TOPSIS method so that the results obtained are more objective and measurable

IV. RESULT AND DISCUSSION

1. The first step in the Analytical Hierarchy Process (AHP) method is to compile the AHP hierarchical structure. The hierarchical structure for the problem of determining the new location can be seen in Figure 1. below:

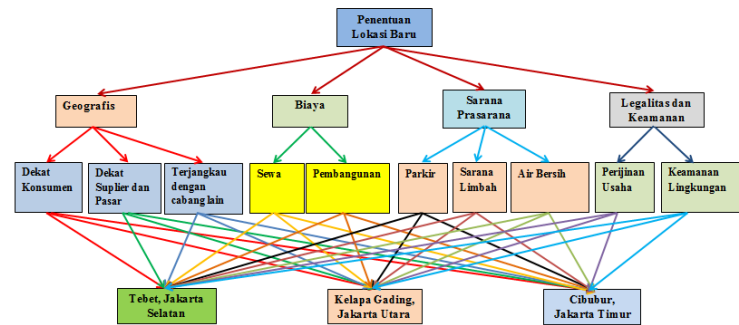


Fig. 1. Hierarchy Structure h Selection of location for the establishment of new branches

- The hierarchy of problems is structured to assist the decision-making process by paying attention to all decision elements involved in the system. Most of the problems become difficult to solve because the solving process is carried out without seeing the problem as a system with a certain structure. At the highest level of the hierarchy, stated goals, objectives of the system are looking for a solution to the problem. The next level is an elaboration of that goal. A hierarchy in the AHP method is a description of elements arranged in several levels, with each level including several homogeneous elements. An element becomes a criterion and standard for the elements under it. In compiling a hierarchy, there are no specific guidelines that must be followed. The hierarchy depends on the compiler's ability to understand the problem. However, it must still be based on the type of decision to be taken.
2. Questionnaire Analytical Hierarchy Process. The measurement of priority importance from the criteria in selecting the location for the establishment of a new branch was obtained through a questionnaire distributed to five respondents, namely the Director, Deputy Director, Area Manager, Finance Manager, Operations Manager.
 3. The next step is to determine the priority of the elements in a decision making is to make pairwise comparisons, which is to compare in pairs all the criteria for each hierarchical subsystem. In this pairwise comparison, the preferred form is a matrix because it is a simple tool commonly used and provides a framework for testing consistency. This matrix design reflects two priority aspects, namely dominating and being dominated
 4. The next step is to test the hierarchical consistency of the Analytical Hierarchy Process (AHP) method, after getting

a weighted value for each of the criteria in the selection of a new branch location. According to Saaty (1980) the value of the consistency ratio (CR) of a maximum weighting is 10% or 0.1. If the result of consistency ratio (CR) is less than 0.1, it can be said that the data is consistent. If the data is consistent, the research can be accounted for and can be used as a basis for consideration in determining decisions

- The Next step is giving weighted values and consistency values have been obtained, the next step is to analyze the selection and location of new branches by making comparisons between prospective new branch locations.

V. RESULT AND DISCUSSION

In this study, all criterion levels are consistent criteria because after the calculation, all consistency ratio values are less than 10% so that it is concluded that they are consistent, then the next step can be continued

Figure 2 below is the result of the value of the priority vector or the weight of the assessment in the form of a diagram.

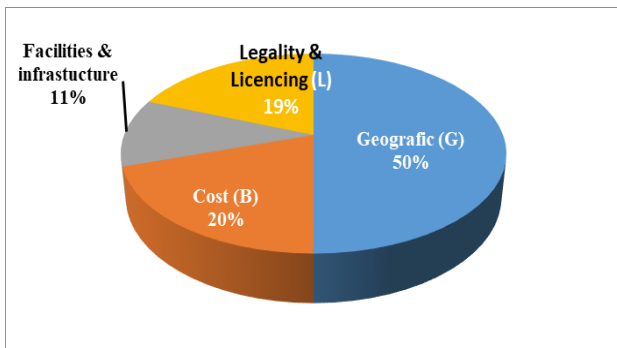


Fig. 2. Weight of the Main Criteria Assessment

The largest assessment weight or priority vector of the main criteria is geographic criteria with a weight value of 0.50 or 50%, then followed by the cost criteria with a weighted value of 0.20 or 20%, the criteria for legality and safety with a weight value of 0.19 or 19%. and the lowest is in the criteria for infrastructure with a value of 0.11 or 11%. The highest criterion is geographic criteria with a very prominent difference in value with other criteria, indicating that the company places great importance on geographic location compared to other criteria. Its strategic geographic location will facilitate the success of the company's business development. Based on the calculation of priority vectors for each criterion in the previous chapter, the following ranking results were obtained:

- Tebet location is 0.52 or 52%
- Location Kelapa Gading is 0.27 or 27%
- Location Cibubur 0.21 or 21%

The overall priority vector diagram can be seen in Figure 3 below this:

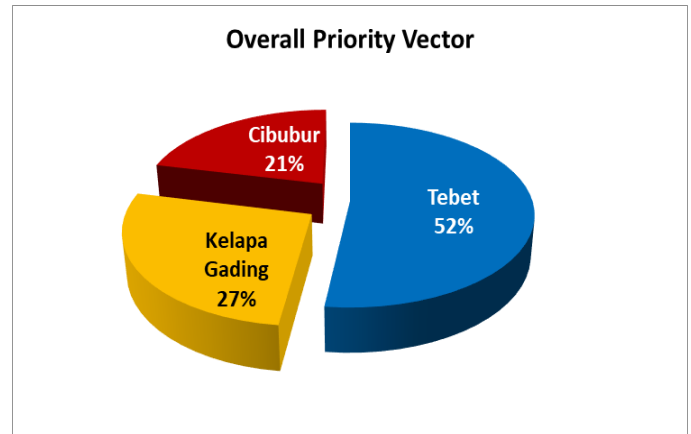


Fig. 3. Overall Priority Vector

Figure 3 above shows that overall, the location of Tebet with a weight value of 0.52 or 52% is the main priority to be selected for the location of the new branch of the 16 special Sambal “SS” waroeng in the Jabotabek area. The second priority is Kelapa Gading location with a weight value of 0.27 or 27% and the third priority is Cibubur location with a weight value of 0.21 or 21%.

VI. CONCLUSION

The conclusions of this study are:

- The AHP method has been effectively utilized for the decision-making process of determining the location of the new culinary SS branch
- Based on the results of this study, from 3 planned alternative locations, the selected location is located in the Tebet area.

Suggestions that can be given for this research are:

- The company can change or add new criteria and sub-criteria in determining the prospective location that is currently used in accordance with the current situation and conditions and considerations.
- Analytical Hierarchy Process method can also be used to support solving other problems in this company so that decision making can be more accurate and better.

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