ISSN: 2338-8412 e-ISSN : 2716-4411

Ekombis Review – Jurnal Ilmiah Ekonomi dan Bisnis
Available online at : https://jurnal.unived.ac.id/index.php/er/index
DOI: https://doi.org/10.37676/ekombis.v14i3

Proposed Business Development Strategy For Enhancing Profitability Of CV. Kharisma Satria Lestari

Maria Ambalika Setiadi [1], Harimukti Wandebori
[1,2] Master of Business Administration Program, Institut Teknologi Bandung
Email: [1] mariaambalika@gmail.com , [2] harimukti@sbm-itb.ac.id

How to Cite :
Setiadi, M, A., Wandebori, H. (2026). Proposed Business Development Strategy For Enhancing Profitability Of CV. Kharisma Satria Lestari. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 14(*3*). DOI: https://doi.org/10.37676/ekombis.v14i3

ARTICLE HISTORY
Received [23 November 2025]
Revised [05 July 2026]
Accepted [13 July 2026]

KEYWORDS
Textile Industry, Spare Parts, Profitability, Broader Differentiation Strategy.

ABSTRACT
Indonesia's textile industry has experienced a significant decline, reflected in rising bankruptcies, large-scale layoffs, and reduced factory utilization rates. This contraction has sharply reduced the demand for textile machinery spare parts, which directly affects CV. Kharisma Satria Lestari (KSL), a supplier of spare parts for textile manufacturers. The company has faced a shrinking client base, a substantial drop in order volume, and a 37.5% revenue decline. This study aims to formulate an appropriate business development strategy to enhance CV.KSL's profitability. This research adopts a qualitative approach, using semi-structured interviews, participant observation, and a literature review. The findings show that CV. KSL's heavy dependence on a single customer segment, integrated production medium to large textile companies, has made the company highly vulnerable to downturns. The weak market conditions also amplify buyers' bargaining power, posing a significant challenge for CV. KSL. Competitive pressure from existing rivals and potential entrants further intensifies this situation. Internally, the company struggles with limited resources, outdated production machinery, and centralized decision-making processes that reduce agility and innovation. To address these challenges, a broader differentiation strategy is recommended. CV. KSL should expand its client acquisition efforts within its current target segment while also reaching new segments, particularly small-scale textile firms that demonstrate high demand for spare-part repair and replacement. Successful implementation requires strengthening digital marketing, networks, and R&D capabilities to support product enhancements and create added value that distinguishes CV.KSL from competitors, which ultimately improves its profitability.

INTRODUCTION

The textile sector holds a strategic position in Indonesia's economic development. This significance stems from its substantial contribution to the national economy, which the government recognizes as a potential driver of economic progress. Research by Prasetyani et al. (2020) indicates that the textile industry consistently ranked within the top three non-oil export contributors between 2011 and 2017. Not to mention that Indonesia was the leading textile exporter in ASEAN before Vietnam surpassed it in 2008. Furthermore, the textile industry's role in the national economy is crucial due to its labor-intensive nature, absorbing approximately 135,000 individuals annually, representing 22.5% of the total industrial labor demand (Sugeng et al., 2023).

Despite its historical importance as a pillar of the Indonesian economy, the textile industry has faced stagnation and decline in recent years. This decline in the textile industry's financial performance is partly attributed to the surge in textile product imports from countries like China, Vietnam, India, and Bangladesh. The influx of imported products poses a threat to the domestic textile industry, as they offer high quality at relatively low prices, an advantage local producers struggle to match (Purwanto, 2024). Additionally, the launch of Regulation of the Minister of Trade No. 8 of 2024 has facilitated easy access for import hence intensifying competition with the domestic textile industry (Rohman et al., 2025). The situation is further aggravated by the influx of illegal imports (Purwanto, 2024). Beyond import-related challenges, macroeconomic factors significantly pressure the textile industry. The weakening of the Indonesian Rupiah, volatile global economic conditions, and high inflation have disadvantaged domestic producers. Acording to Darmansyah (2025), in addition to these external pressures, internal factors contribute to the textile industry's declining financial performance. The primary issue is the industry’s lack of competitiveness due to slower adoption of innovation and market trend. The decline of the textile industry has had a major impact the national economy. Over the past two years, more than 60 textile companies in Indonesia have declared bankruptcy, leading to widespread layoffs impacting almost 250,000 workers. A significant event marking this downturn was the bankruptcy announcement of PT Sritex, Indonesia's largest textile company, in 2025. Research by Purwanto (2024) revealed that the average utilization rate of textile factories was approximately only 45%, indicating significant production cuts and labor downsizing. This reduced activity in the textile industry has cascading effects on related businesses, such as CV. Kharisma Satria Lestari (KSL), a supplier of spare parts for textile companies, which will be the focal point of this article.

CV. Kharisma Satria Lestari has experienced a decrease in the number of textile clients, a drop in order volumes, and reduced overall profits. Data from 2015 to 2024, indicates a 37% decline in the number of clients. The challenges faced by CV. KSL are more clearly reflected in the company’s quarterly spare part sales which demonstrate a significant decline from approximately 16,000–18,000 units sold over a three-month period to less than 9,000 units within the same timeframe. The decline in the number of clients and sales volume has directly impacted the company’s revenue, which continued to decrease. During the first and third quarters of 2024, company revenue exceeded IDR 400 million. However, in the fourth quarter of 2024, revenue fell by 37.5%. This downward trend continued into the first quarter of 2025, when revenue declined further by 25.5%, barely reaching IDR 200 million over three months. Therefore, this research aims to determine the appropriate business development strategy for CV. Kharisma Satria Lestari to improve its profitability.

LITERATURE REVIEW

Business-level Strategy

According to Hitt et al. (2016), strategy refers to a series of interrelated and coordinated actions undertaken to maximize the utilization of a firm’s core competencies to achieve competitive advantage. Strategy formulation can be distinguished based on its scope and purpose: business-level strategy and corporate-level strategy. Business-level strategy refers to strategies employed by companies operating within a single business domain or product line, with the aim of achieving a competitive advantage over rivals within the same industry. In contrast, corporate-level strategy applies to diversified firms who manage multiple business units across different industries (Hitt et al., 2016). In implementing a business-level strategy, a company can either maximize efficiency or offer greater value than its competitors (Mahadi & Wandebori, 2024). Business-level strategies can generally be classified into five types, such as Cost Leadership, Differentiation, Focused Cost Leadership, Focused Differentiation, and Integrated Cost Leadership/Differentiation. The cost leadership strategy highlights offering products or services at the lowest possible price compared to its competitors, while maintaining a level of quality that remains acceptable. The differentiation strategy focuses on delivering unique products or services that are distinct from competing offerings with acceptable and justifiable prices. The focused strategy caters the needs of a niche group of customers segments that are often overlooked by larger competitors. Meanwhile, integrated cost leadership–differentiation strategy emphasizes on building two types of competitive advantage simultaneously: offering products at affordable prices while incorporating distinctive features that enhance customer value (Hitt et al., 2016).

Market Analysis

A widely adopted framework for market analysis is STP: Segmenting, Targeting, and Positioning. Market segmentation is the process of dividing a group of people into individual and identifiable groups based on similarities in their needs and desires (Hitt et al., 2016). Market segmentation enables a company to understand and address customer needs more accurately (Rinjany, 2025). A common approach in conducting market segmentation is the needs-based market segmentation, which the process can be divided into seven stages, starts from needs-based segmentation to the formulation of a marketing mix strategy. The results of the marketing mix strategy help the company to fulfill customer needs and differentiate its products or services, ultimately facilitating the company to achieve its goals (Mustikasari et al., 2024). According to Kotler et al. (2016), there are five types of variables that must be considered when segmenting a business market: demographic variables, operating variables, purchasing approaches, situational factors, and personal characteristics. Market targeting refers to the process of selecting one or more market segments that are considered the most potential to be pursued as sales targets. Positioning refers to the strategic effort of a company to design a unique offering for its target market, with the goal of creating a strong impression in the minds of consumers (Hitt et al., 2016).

External Analysis

The external environment encompasses a variety of factors that influence a firm's actions and responses in its efforts to outperform competitors and achieve above-average returns (Hitt et al., 2016). External analysis is generally divided into three key areas: general environment, industry environment, and competitor analysis. The general environment refers to broad societal factors (macro-level) that exist outside the firm but can significantly influence the industry and the firms within it. These factors can be categorized into several major segments: political/legal, economic, sociocultural, technological, global, and sustainable physical environment. In the context of industry analysis, there are five key forces that significantly influence a firm's strategic decisions and directly affect its potential profitability, which consist of the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitute products, and industry rivalry. Competitor analysis is a strategic approach used by a company to gather information about its competitors to anticipate and understand the potential actions they might take (Hitt et al., 2016). There are four key aspects to evaluate competitor analysis: competitor's current strategy, future objectives, resources and capabilities, and assumptions held by competitor's top management.

Internal Analysis

Internal analysis is a strategic process used to evaluate a company's internal strengths and weaknesses, with the goal of leveraging these insights to exploit attractive opportunities in the market (Kotler et al., 2016). This evaluation requires a firm to assess its portfolio of resources and capabilities, particularly those that are unique and not easily replicated by competitors (Hitt et al., 2016). Resources form the foundation of a firm's capabilities. These resources can be broadly categorized into tangible and intangible. Tangible resources are physical assets that are visible and quantifiable, whereas intangible resources are less observable, more complex to analyze, and difficult for competitors to imitate. Capabilities refer to a firm's ability to successfully execute specific tasks by leveraging its available resources (Hitt et al., 2016). Capabilities may evolve into core competencies, the essential strengths that provide a firm with a competitive advantage over its rivals. To identify which capabilities have the potential to become core competencies, firms can utilize two analytical tools: Four Criteria of Sustainable Competitive Advantage and Value Chain Analysis (Hitt et al., 2016). Four Criteria of Sustainable Competitive Advantage framework is used to evaluate a firm's capabilities based on Valuable, Rare, Costly to Imitate, and Non-substitutable criteria. Meanwhile, Value Chain Analysis is used to identify which of its activities contribute to value creation for customers

SWOT & TOWS Analysis

One of the most widely used tools for evaluating both internal and external environmental factors is the SWOT analysis (Kotler et al., 2016). SWOT (Strength, Weakness, Opportunity, Threat) Analysis is a strategic management tool used to evaluate both internal and external factors in order to gain a clearer understanding of how a company's resources and capabilities support its growth and enable it to address various external threats (Rozmi, 2019). The primary objective of employing SWOT analysis is to determine how a company can take advantage of opportunities while minimizing or avoiding environmental threats. SWOT analysis is particularly useful for helping companies formulate competitive strategies, manage external threats, and identify the core competencies needed (Benzaghta et al., 2021). TOWS Matrix is an extension of the SWOT Matrix. TOWS emphasizes on how the firm can formulate strategies that are both effective and adaptive in responding to external challenges and opportunities (Skotnicka-Zasadzień et al., 2023). When developing the TOWS Matrix, it is essential to ensure that each strategy reflects a rational correlation between internal strengths and weaknesses and external opportunities and threats (Zakaria et al., 2022). This framework will generate four possible strategic combinations: SO (Strength–Opportunity) or Maxi-Maxi, ST (Strength–Threat) or Maxi–Mini, WO (Weakness–Opportunity) or Mini–Maxi, and WT (Weakness–Threat) or Mini–Mini (Žmegač et al., 2024):

METHODS

Data Collection

This study utilizes qualitative data and therefore adopts a qualitative research approach for data collection. In this study, qualitative data collection will be categorized into two categories: primary and secondary data collection. Primary data was collected through two main techniques: observation and interview. The type of observation used in this study is participant observation, where the observer becomes involved in the activities of the group being studied (Mazhar et al., 2021). For this research, participant observation was conducted through a two-month internship at CV. Kharisma Satria Lestari. The interview was conducted using semi-structured interview format with open-ended questions. In semi-structured interviews, an interview guide is utilized to ensure alignment with the research objectives (Adeoye-Olatunde et al., 2021). This format enables respondents to explore topics they perceive as significant (Longhurst, 2003). The interview process is carried out in two stages: the first stage involves interviews with employees of CV. Kharisma Satria Lestari to gather internal company information, while the second stage focuses on interviewing employees from textile factories that are clients of CV. KSL to gain insight into the external environment.

In addition to the collection of primary data, this study also incorporates secondary data. Secondary data refers to information that originates from previously conducted and published primary research (Olawale et al., 2023). The secondary data used in this research is categorized into four main types. First, internal company reports were utilized to gain insights into CV. Kharisma Satria Lestari's financial condition and operational performance. Second, industry reports served as an important secondary source to analyze market trends, assessing the industry's prospects, and identifying challenges within the industry. The third source of secondary data comprised books and academic journals. These materials provided theoretical and conceptual foundations drawn from prior research, supporting the formulation of strategies for business development. Another source comes from news and articles which were used to capture the most current information, including market trends and policy changes.

Data Analysis

Data analysis refers to the process of transforming extensive sets of data or information into a structured, insightful, and reliable interpretation (Liamputtong, 2009). As mentioned before, this study employs qualitative data. Consequently, the analytical approach employed is qualitative analysis. Qualitative data analysis involves the classification and interpretation of data to generate generalized statements. It is employed to provide in-depth descriptions of phenomena, to identify variations between cases, and to uncover the underlying conditions that explain these differences. Additionally, it contributes to theory development (Maxwell, 2014). According to Rabiee (2004), in interpreting data, it is important not only to understand individual quotes but also to examine the deeper relationships between these quotes and their connection to the dataset as a whole. Data interpretation requires careful attention to avoid bias, and Krueger (1994) outlines seven key criteria that must be considered to ensure a thorough and objective analysis: choice of words and the meaning, context, internal consistency, frequency and extensiveness of comments, specificity, intensity of comments, and finally big ideas that emerge from data collection activities.

RESULTS AND DISCUSSIONS

Segmenting, Targeting, Positioning (STP) Analysis

Based on need-based segmentation, segmentation can be divided into three market segments: (1) Focused Production Medium to Large-Scale Companies, (2) Integrated Production Medium to Large-Scale Companies, and (3) Small-Scale Companies. Segment 1, or Focused Production Medium- to Large-Scale Companies, represents firms with a relatively limited variety of spare part requirements. Since these companies concentrate on only one or two stages of production, the types of machines used are less diverse, which results in fewer spare part variations compared to Segment 2. Although the variety of spare parts is relatively smaller, the scale of operations, medium to large, means that the machines are used intensively, resulting in a high replacement frequency. Thus, these companies still require spare parts in large quantities and place repeated orders. Since machines operate continuously, they need highly reliable spare parts to prevent breakdowns and ensure uninterrupted production. To guarantee compatibility between spare parts and machinery, this segment requires reliable after-sales services to ensure quality and specification alignment. However, they do not require extensive additional services, such as installation or usage consultation, as they already employ in-house technicians.

Segment 2, or Integrated Production Medium to Large-Scale Companies, represents the segment with the widest variety of spare part needs among the three. Their requirements span across diverse materials, including both metal and non-metal components, and a broad range of shapes and sizes, which in turn affects the production processes of the spare parts, ranging from molding, lathe, to other techniques. This high level of diversity stems from the extensive range of machines used throughout their integrated production process, which typically covers spinning, weaving, dyeing, and finishing stages, each involving different machine types and specifications. As these companies manage the entire production chain, the number of machines in operation is significantly greater, leading to larger overall demand for spare parts compared to the other segments. However, this segment tends to be more price-sensitive than Segment 1, as budget allocations must be distributed across many units. To ensure smooth operations, these companies emphasize both quality and price. In addition, they value product variety and service reliability, preferring to work with suppliers that capable of fulfilling their diverse needs comprehensively, thereby reducing dependency on too many vendors. From a service standpoint, this segment also requires reliable after-sales support and faster delivery times compared to Segment 1.

Segment 3, or Small-Scale Companies, consists of firms who operate with a limited number of machines and perform fewer stages of production, resulting in lower variation and volume of spare part requirements compared to the other segments. In terms of purchasing criteria, this segment tends to prioritize price. Consequently, they seek suppliers that can offer more affordable spare parts. Furthermore, these companies are usually more dependent on external parties for additional services such as spare part installation and repair. From a service perspective, this segment requires suppliers that can deliver spare parts in the shortest possible time.

Based on the three segments previously mapped, the current target market of CV. Kharisma Satria Lestari is the second segment, medium- to large-scale companies that conduct integrated production from fiber making to fabric finishing stage, rather than being limited to a single production stage. Several considerations underlie the selection of this segment as the target market, such as potential for large-volume orders, high and diverse demand for spare parts, higher level of customer loyalty, potential for frequent repeat orders, and lower competition intensity. Based on the selected segmentation, CV. Kharisma Satria Lestari positions itself as a supplier of custom spare parts offering a wide range of options that help customers streamline processes through reliable spare parts, with a focus on consistent quality and competitive pricing. CV. Kharisma Satria Lestari offers a broad variety of spare parts that accommodate customer needs across multiple stages of production. To provide this, substantial resources and capabilities are required, making it more difficult for competitors to replicate. Beyond products, CV. KSL also provides reliable after-sales service and product warranties.

External Analysis

The general environment analysis is conducted for the textile industry, which represents the primary sector served by CV. Kharisma Satria Lestari. When the condition of the textile industry deteriorates, it directly leads to a decline in incoming orders, consequently affecting CV. KSL's overall revenue performance. The following are several factors affecting the condition of textile companies, all of which are closely linked to the demand for CV. KSL's spare parts. Regulatory uncertainty and recurring relaxation of import restrictions have strengthened competition from low-priced, higher-quality imported apparel, while ineffective tariff safeguards and the persistence of illegal imports further weaken domestic producers. Economic pressures stemming from global downturns, the COVID-19 shock, U.S. tariff policies, inflation, and a sharply depreciating rupiah have driven up production costs and reduced competitiveness. Demographic strengths, such as Indonesia's large population, significant working-age cohort, and the economic concentration of textile manufacturing in Java (Sari & Oktora, 2021) offer a robust domestic market and labor supply. Sociocultural shifts such as rapidly evolving fashion preferences and the rise of thrifting continue to suppress demand for textile products. Technological gaps relative to competitor countries, combined with outdated machinery, constrain efficiency, though emerging digital innovations are showing potential for cost-saving and operational efficiency improvement. Global geopolitical tensions elevate logistics and raw-material costs and increase the risk of dumping practices. Growing sustainability expectations and stricter environmental regulations impose short-term compliance burdens but create long-term potential for efficiency gains and green innovation. Collectively, these external dynamics heighten volatility in the textile sector and directly influence fluctuations in CV. KSL's order volume.

An industry analysis using Porter's Five Forces was conducted to assess the attractiveness of the textile machinery spare parts industry in Java, particularly West Java, where most textile manufacturers operate and where CV. Kharisma Satria Lestari is located. Industry rivalry presents a medium threat. The downturn in the textile industry has reduced demand for spare parts and increased competitive pressure. This pressure is amplified by the large number of competitors, even though no single firm dominates the market. However, switching costs remain high because textile companies are generally risk averse and evaluate new suppliers carefully, which benefits long-established suppliers. Product customization requirements also prevent these products from becoming mass-produced commodities, and the relatively low fixed costs further moderate competitive intensity. The threat of new entrants is also medium. Established firms hold strong advantages through long-standing relationships, experience, and customer loyalty, which create meaningful entry barriers. At the same time, the absence of economies of scale and relatively low capital requirements still allows room for new entrants. The threat of substitute products is negligible and even presents an opportunity, as no substitutes currently exist for textile machinery spare parts.

Buyer bargaining power is high due to demand fluctuations, the potential for vertical integration, and strong buyer knowledge of spare parts. In contrast, supplier bargaining power is weak because many suppliers operate in the market, required materials are easily accessible, and switching costs are low. These conditions create a favorable environment for firms in the textile machinery spare parts industry.

The exact number of competitors for CV. Kharisma Satria Lestari is difficult to determine because the industry is highly fragmented and no single company holds a dominant position. This situation emerges because most customers prefer not to rely on only one or two suppliers for all spare part needs. Instead, they distribute orders across multiple suppliers to reduce dependency and minimize supply risk. Broadly, competitors can be grouped into three categories.

1. Competitors "Category A": Firms in this category share characteristics similar to CV. KSL. They offer a wide range of spare parts made from varied materials, enabling them to serve integrated production medium to large textile companies in segment 2. Their competitive advantages may include broader product variety, stronger customer networks, lower prices, or more advanced technical capabilities.
2. Competitors "Category B": These firms specialize in producing specific types of spare parts, often constrained by material type or production processes. Because their product range is limited, their primary market consists of focused production textile companies 1. The number of Category B competitors is larger than Category A due to lower capability requirements and relatively small capital investment. Their competitive strengths lie in lower prices and shorter production lead times.
3. Competitors "Category C": This category includes trading companies that import finished spare parts rather than manufacturing them. Although they offer a broad product range, their inability to provide customized spare parts limits their competitiveness. However, because they do not bear production costs, they maintain lower operating expenses and can offer more competitive prices. This pricing advantage makes them especially appealing to small textile companies in segment 3 that are highly price sensitive.

Internal Analysis

The resource assessment of CV. Kharisma Satria Lestari shows a combination of tangible and intangible strengths and weaknesses that shape its operational effectiveness and competitive position. In terms of tangible resources, the company benefits from strategically located buildings that facilitate customer access, yet it faces limitations in logistics capacity and operates aging production machinery that restricts product variation and larger-size manufacturing. Financially, the company maintains a strong cash position, has no external debt, and holds deposits that function as emergency reserves. Technological resources remain underdeveloped since production processes lack automation and rely heavily on basic software and manual tools. From an organizational standpoint, the absence of dedicated HR and marketing divisions, centralized decision-making, and the lack of supervisory roles create structural weaknesses, although task allocation across divisions is clearly defined.

For intangible resources, human resources present several constraints, including a small workforce, high reliance on outsourcing and key employees, and training programs that focus mainly on technical skills while overlooking non-technical competencies. However, the company benefits from deep knowledge and experience, as many employees have worked for decades, supported by strong interdivisional collaboration. CV. Kharisma Satria Lestari also maintains longstanding and strong relationships with existing clients, although its broader industry networking remains limited. A positive reputation further strengthens its market position. Additionally, a transparent and collaborative work culture helps sustain trust across all organizational levels and supports healthy relationships both internally and externally.

The capabilities of CV. Kharisma Satria Lestari can be grouped into five categories based on its core activities: production, R&D, logistics, purchasing, and marketing. Production capabilities include the ability to customize products according to client specifications, minimize defective outputs despite aging machinery, and perform in-house machine repair and maintenance. R&D capabilities involve interpreting and visualizing how spare parts function within textile machines, possessing deep knowledge of materials and their compatibility with specific parts, and modifying production processes to increase efficiency. Logistics capabilities cover mastery of delivery routes, efficient route planning, and optimization of vehicle storage space. Purchasing capabilities consist of supplier networking and accurate estimation of material requirements. Marketing capabilities include customer relationship management, understanding of clients' specific needs, and word-of-mouth promotion. Based on the VRIN analysis, three capabilities demonstrate competitive advantage: the ability to produce customized spare parts that meet required specifications, the ability to interpret and visualize spare part mechanisms to determine suitable materials and production processes, and the ability to understand customers' specific needs and manage long-term customer relationships.

The value chain analysis is conducted to identify the activities performed by CV. Kharisma Satria Lestari that contribute to creating value for customers. Primary activities begin with inbound logistics, which involve coordination between the purchasing and logistics divisions in providing and inspecting of materials stored in the warehouse, strong relationships with long-term suppliers that help ensure consistent material quality and competitive prices, fast procurement processes, and material quality control upon delivery. However, inbound logistics face challenges due to poorly organized storage and the absence of structured stock management. In operations, several constraints remain. The company still depends heavily on key employees for complex spare part orders, continues to rely on outsourcing, and operates aging production machinery with limited capacity. For outbound logistics, activities include final inspection before delivery to ensure compliance with client specifications, proper storage of excess inventory for documentation purposes, and route planning that minimizes unnecessary return trips. Sales and marketing activities are still dominated by conventional methods and focus primarily on short-term sales targets. The company prioritizes maintaining relationships with existing clients rather than acquiring new ones. In terms of service, CV. KSL provides reliable warranty and after-sales support, although customer complaints are not always recorded systematically.

Support activities begin with human resource management, where decision-making remains centralized at the director's level and employee performance evaluation is subjective due to the absence of KPIs. Training is mostly conducted through on-the-job training and does not yet include non-technical competencies. Nonetheless, reporting flows are clearly established and an inclusive, collaborative work culture is well developed. Regarding firm infrastructure, management practices remain traditional, production oversight is conducted manually, and most administrative and legal matters are handled directly by the director. Technology development is still limited, as administrative and financial processes rely on basic software, no digital tools or ERP systems have been adopted, and production machines still depend heavily on operator skills. The company also has not utilized digital platforms such as social media or B2B e-commerce to expand its market reach. For procurement, CV. KSL conducts comprehensive comparisons to find suppliers that offer suitable materials at competitive prices. However, supplier sourcing still relies heavily on direct visits and phone communication, and for certain material, CV. KSL do not yet have fixed suppliers, which cause production delay.

SWOT & TOWS Analysis

The results of the SWOT analysis and the TOWS Matrix for CV. Kharisma Staria Lestari, developed based on the firm's internal and external conditions, are presented in Table 1&2 below.

Table 1. SWOT Matrix

Strength	Weakness
1. Strong financial stability with no external debt. 2. Long-serving workforce with deep tacit knowledge of textile machinery and understanding of client's needs. 3. Strong customer trust and long-term relationships. 4. Capability to produce customized, precision spare parts supported by in-house R&D. 5. Established supplier relationships ensuring material availability and cost efficiency. 6. Transparent and collaborative organizational culture. 7. Reliable warranty and after-sales services for customers.	1. Aging production machinery and limitation in manufacturing spare parts in terms of variation and size. 2. Manual operations and lack of digital systems. 3. Centralized decision-making under the director. 4. Absence of dedicated HR and marketing divisions. 5. Dependence on key employees for complex production. 6. Reliance on outsourcing for several types of spare parts. 7. Limited networking and client acquisition efforts. 8. Weak innovation culture and short-term sales orientation. 9. Subjective performance evaluation and lack of KPI system.
Opportunity	**Threat**
1. Industrial concentration and market growth in Java Island. 2. Advancements in manufacturing technology. 3. Increasing awareness of sustainability 4. Low bargaining power of suppliers within the industry. 5. Negligible threat from substitute products.	1. Growing competition from potential entrants. 2. Moderately competitive industry landscape 3. Inconsistent demand due to instable geopolitical condition 4. High bargaining power of textile industry buyers. 5. Fashion market shifts. 6. Slow technological adoption in domestic textile industry that makes the industry less competitive. 7. Inflation and Rupiah depreciation.

Table 2. TOWS Matrix

	Strength	Weakness
Opportunities	**SO1 (S4 + O2):** Adopt CNC technology to enhance production precision and scalability by leveraging in-house R&D expertise. **SO2 (S5 + O3):** Develop eco-friendly spare parts using recyclable materials through collaboration with supplier. **SO3 (S3 + O1):** Expand market coverage across Java Island by utilizing connections with existing customers to understand needs and reach new clients **SO4 (S6 + O2):** Develop an internal knowledge database and simple project management platform to ensure smooth operation **SO5 (S2 + O3):** Develop sustainable product innovations with help of existing client **SO6 (S1 + O2):** Invest in gradual technological modernization using internal capital to enhance efficiency and digital capability.	**WO1 (W2 + O2):** Implement simple inventory control to reduce manual errors. **WO2 (W4 + O1):** Establish an HR & Marketing team to maximize employee potential and accelerating new client acquisition. **WO3 (W5 + O2):** Conduct automation training to reduce dependence on key employees. **WO4 (W6 + O2):** Internalize production for high-demand spare parts using simple automation and invest in machinery with larger production capacity and variety. **WO5 (W8 + O2):** Develop structured idea-sharing digital forums to stimulate innovation. **WO6 (W9 + O2):** Implement KPI-based performance management to improve productivity and innovation.
Threat	**ST1 (S7 + T1,T2):** Offer premium warranty and after-sales service to retain clients. **ST2 (S5 + T3):** Utilizing long-term relationship with supplier to create demand forecasting systems to stabilize material supply under geopolitical uncertainty. **ST3 (S4 + T1,T2):** Emphasize product precision and consistency and expand product variety as foundation of differentiation. **ST4 (S1 + T7):** Maintain a debt-free structure to sustain stability under inflation and currency depreciation.	**WT1 (W3 + T3):** Establish a demand monitoring dashboard and weekly coordination routine to support faster, data-based decision-making **WT2 (W9 + T4):** Implement KPI-based evaluation. **WT3 (W7 + T2):** Participate in regional trade fairs to expand networks. **WT4 (W8 + T4):** Diversify customer base to reduce dependency on dominant buyers. **WT5 (W2 + T7):** Create structured financial planning to mitigate inflation **WT6 (W7 + T4):** Expand digital marketing to reach potential clients. **W7 (W6 + T3):** Maintain partnerships with outsourcing parties to achieve timely delivery, especially during high demand season.

Business Solutions

Currently, CV. Kharisma Satria Lestari implements a focused differentiation strategy, concentrating on a niche market segment composed of medium to large-scale textile manufacturers with integrated production systems. Although CV. Kharisma Satria Lestari focuses on this specific market segment, the company has demonstrated steady performance, as reflected in its ability to continue operating for more than thirty-five years. However, as described in the external environment analysis, the decline in the textile industry has resulted in a corresponding decrease in demand for spare parts, leading to a smaller client base, fewer orders, and lower revenue generation. If this trend continues without proper anticipation and adaptation, the company's long-term stability will be at risk. Therefore, acquiring new clients has become a crucial strategic concern for CV. Kharisma Satria Lestari. At present, CV. Kharisma Satria Lestari only serves Segment 2. While this segment generates the highest and most diverse demand for spare parts, it is also the most vulnerable to declining textile demand due to its high fixed costs. These costs include wages for a large number of employees and maintenance expenses for numerous machines. Even when some machines are not in use, depreciation and maintenance costs continue to accrue, which puts additional pressure on profit margins when revenue declines. As a result, when demand decreases, companies within this segment tend to face significant financial strain. Given these conditions, CV. Kharisma Satria Lestari needs to expand its target market beyond this narrow segment to enhance its profitability and strengthen its business resilience. A strategic shift from focused differentiation to a broader differentiation strategy is therefore recommended. By expanding its market coverage, the company can develop additional revenue streams instead of relying solely on a limited number of existing clients. The first step in implementing this broader differentiation approach is to redefine CV. KSL's target customers and identify which new segments align with the company's competencies and strategic objectives. Meanwhile, the third segment has the largest market size and the highest growth potential among the three. In terms of competitive intensity, this segment is dominated by trading-based competitors that benefit from lower production costs and can offer cheaper prices. However, because these competitors rely heavily on imported goods, they lack the technical capabilities required for product customization or complex spare-part requests. This creates an opportunity for CV.X to enter the segment. Additionally, market access in the third segment is more attainable because of its decentralized purchasing structure, which allows decisions to be made not only by the central purchasing division but also by various departments, factory managers, or business owners. Based on these factors, the third segment can be classified as highly attractive.

To assess segment profitability, the TAM–SAM–SOM framework is applied. Based on the results shown in Figure 1, the most profitable segment is Segment 3, which consists of small-scale textile companies. Although the average revenue per customer in this segment is lower than in the other two segments, its significantly larger number of potential customers generates a higher total market opportunity. The SOM calculation further indicates that the profit potential of Segment 2 is not substantially different from Segment 3, while Segment 1 has the lowest profitability.

Figure 1. TAM, SAM, SOM For Each Segment

Based on the results of the segment attractiveness and segment profitability analyses, it can be concluded that the most suitable segments for CV. Kharisma Satria Lestari to serve are Segment 2, consisting of integrated production medium-to-large scale textile companies, and Segment 3, consisting of small-scale textile companies. By expanding its target market to include both segments, CV. KSL can implement a broader differentiation strategy. However, it is important to note that the needs and preferences between these two segments are considerably different, which means that the company's positioning must also differ accordingly. Value proposition suitable for Segment 2 is that CV. Kharisma Satria Lestari positions itself as a trusted partner providing high-quality spare parts with precision and consistency, on-time delivery, and reliable after-sales service to ensure smooth production operations. The recommended pricing approach for this segment is competitive pricing, not excessively premium, but still capable of attracting new clients by offering greater value. Meanwhile, the most appropriate value proposition for Segment 3 is that CV. KSL serves as an emergency spare part repair solution offering fast turnaround time and warranty support to ensure longer machine lifetimes and minimal downtime. For this segment, the recommended product–price positioning is more price for more benefit.

To address the needs of Segment 2 and Segment 3, a marketing-mix strategy is developed for CV. Kharisma Satria Lestari. The marketing mix covers product, price, promotion, and place. From a product perspective, several initiatives can be undertaken. These include investing in new machines with larger capacities and enhanced features to expand the variety of spare parts; implementing a simple qualification and prioritization system for incoming orders based on urgency, delivery deadlines, and complexity; optimizing outsourcing allocation; and providing cross-training programs to ensure skill distribution across employees and reduce reliance on key personnel. In addition, investing in automation technologies, such as CNC machines, would accelerate production lead time, ensuring timely delivery and responsiveness to urgent repair requests. Further product-related strategies include adopting in-process quality control, regularly replacing measurement tools, and investing in new machinery to improve precision and consistency. The company may also consider developing spare parts using more eco-friendly materials, such as recycled plastics. Regarding pricing, the recommended strategies include offering competitive prices, bundled pricing options, and urgency-based pricing for repair services. For place, CV. KSL should prioritize expanding its market share within the same geographic areas, West Java and Central Java, for Segment 2. In the long term, the company may explore expansion into East Java, Indonesia's third-largest textile manufacturing region. To reach a broader customer base, CV. KSL can also leverage B2B platforms such as IndoTrading, which provide access to customers beyond Java. For Segment 3, market coverage will focus on Bandung City and Bandung Regency, which aligns with the company's value proposition of delivering rapid repair services. In terms of promotion, CV. Kharisma Satria Lestari's strategy centers on three objectives: increasing brand visibility through digital marketing, acquiring new customers through direct outreach, and enhancing customer retention through structured sales and relationship-management programs. According to Bello et al. (2018), higher visibility on Google's search results increases the likelihood of attracting potential customers and converting website visitors into actual clients.

To ensure that the broad differentiation strategy can be effectively executed and translated into actionable initiatives, the firm must establish functional-level strategies that are fully aligned with its strategic direction. Several actions are required to strengthen this alignment, including maintaining a collaborative organizational culture, forming dedicated Marketing and R&D divisions as the foundation of differentiation, and decentralizing decision-making so the company can respond more rapidly to emerging opportunities and mitigate potential external threats. Functional-level strategies can be developed across seven key functions: logistics, purchasing, production, R&D, marketing, finance, and human resources.

For logistics**,** recommended strategies include implementing a simple inventory management system, establishing clear task allocation, such as assigning one employee to handle the urgent repair needs of Segment 3 and another to serve Segment 2, investing in environmentally friendly delivery vehicles such as electric motorbikes, and adopting real-time tracking mechanisms to improve delivery reliability. For Purchasing, strategies for this function focus on strengthening inventory control, applying multiple sourcing to reduce supply risk, and procuring environmentally friendly raw materials. For Production, the key priorities are workflow prioritization, improved progress tracking, and investment in more advanced production tools to ensure consistent quality and timely delivery. These measures also support the company's ability to meet complex customization requests, which is a core element of its differentiation strategy. For R&D, establishing a dedicated R&D division is essential in the long term. Several initiatives can be implemented, including performance enhancement research through experiments on coating types that improve corrosion resistance, heat and water tolerance, and chemical durability; research on dimensional accuracy parameters such as flatness, straightness, circularity, parallelism, and angularity; systematic documentation of R&D results; exploration of sustainable materials; and development of new product lines beyond the textile industry. For Marketing, the strategies focus on strengthening digital visibility, acquiring new clients through direct outreach and referral programs that leverage existing customer networks, and enhancing retention through loyalty initiatives such as discounts, bonuses, or extended warranty periods. For Finance, strategic capital allocation is the primary focus, supported by the company's strong cash position. Future investments should prioritize R&D and marketing activities, both of which are central to sustaining differentiation. Finally, for Human Resources, establishing a dedicated HR function is a strategic priority, enabling structured talent management programs, performance evaluation through KPI systems, and selective hiring aligned with the firm's capability needs. To ensure the effective implementation of these functional strategies, several core competencies must be developed. These include digital marketing capability, networking capability, and R&D competencies related to product performance enhancement and product diversification. These competencies will strengthen the company's ability to compete in both existing and future markets.

CONCLUSIONS

CV. Kharisma Satria Lestari currently only targets the textile industry, primarily serving the second segment, which consists of medium- to large-scale integrated textile manufacturers. This segment generates the highest demand for spare parts because a larger number of machines is required to support extended production processes. At present, the company positions itself as a supplier of customized spare parts with a wide product range, enabling clients to streamline their operations while maintaining consistent quality and competitive pricing. However, external analysis shows that reliance on a single segment within a single industry exposes the company to significant risks given the persistent decline of the textile sector. Internal analysis reveals several strengths, such as a workforce with long tenure, deep accumulated know-how, and strong reputational capital with both clients and suppliers, that have enabled the company to remain resilient for more than thirty-five years. Nonetheless, critical weaknesses persist, including limited technological adoption, aging machinery, dependence on key employees, and centralized decision-making, all of which restrict initiative and innovation.

Based on the combined insights from market, external, and internal analysis, a broad differentiation strategy is recommended. Rather than focusing exclusively on the second segment, the company should expand into the third segment (small-scale companies) while adopting a differentiated positioning for each. In the third segment, CV. Kharisma Satria Lestari should position itself not as a producer of spare parts but as a repair partner offering rapid turnaround times to meet urgent needs and minimize downtime. To implement this differentiation strategy effectively, the company must strengthen cross-functional coordination, decentralize decision-making, and develop core competencies in marketing, particularly in digital marketing and networking, to support new client acquisition. R&D competencies should also be enhanced, with a focus on product improvement and diversification to deliver superior offerings compared with competitors while maintaining competitive pricing and fast production times. In the long term, diversification into alternative markets is essential to reduce the company's dependence on the increasingly fragile textile industry and to ensure sustainable growth. Investments in machinery, measuring instruments, and automation technologies are also required to maintain the speed, precision, and consistency necessary for differentiation-driven competitiveness.

RECOMMENDATIONS

Based on the analysis, several strategic recommendations are proposed to improve CV. Kharisma Satria Lestari's profitability. First, the company should prioritize new client acquisition, beginning with deeper penetration into its existing target market. In the long term, CV. Kharisma Satria Lestari should pursue both product and market diversification to reduce dependence on the textile sector and capture new growth opportunities. The company may also begin transitioning to more eco-friendly materials, expanding its workforce to support increasing operational demands, and upgrading its legal status from a CV to a PT to achieve greater structural and financial efficiency.

REFERENCES

Adeoye-Olatunde, O. A., & Olenik, N. L. (2021). Research and scholarly methods: Semi-structured interviews. *Journal of the american college of clinical pharmacy,* 4(10), 1358-1367. https://doi.org/10.1002/jac5.1441

Bello, R. W., & Otobo, F. N. (2018). Conversion of website users to customers-The black hat SEO technique. *Int. J. Adv. Res*. Comput. Sci. Softw. Eng, 8, 29. https://doi.org/10.23956/ijarcsse.v8i6.714

Benzaghta, M. A., Elwalda, A., Mousa, M. M., Erkan, I., & Rahman, M. (2021). SWOT analysis applications: An integrative literature review. *Journal of Global Business Insights*, *6*(1), 54-72. https://www.doi.org/10.5038/2640-6489.6.1.1148

Darmansyah, A. P., Auliyanti, M. S., & Azizah, W. Z. N. (2025). Mengungkap Penyebab Kepailitan PT. Sri Rejeki Isman Tbk (Sritex): Faktor Internal, Eksternal, Manajemen Keuangan dan Proses Hukum. Jurnal Riset Akuntansi, 3(1), 330-340. https://doi.org/10.54066/jura-itb.v3i1.2980

Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2016). *Strategic management: Competitiveness and globalisation*. Cengage AU.

Kotler, P., & Keller, K. L. (2016). A framework for marketing management (6/E). *Baskı, Essex: Pearson Education Limited*

Liamputtong, P. (2009). Qualitative data analysis: conceptual and practical considerations. *Health promotion journal of Australia*, 20(2), 133-139. https://doi.org/10.1071/HE09133

Longhurst, R. (2003). Semi-structured interviews and focus groups. Key methods in geography, 3(2), 143-156.

Maxwell, J. A., & Chmiel, M. (2014). Generalization in and from qualitative analysis. The SAGE handbook of qualitative data analysis, 7(37), 540-553. https://doi.org/10.4135/9781446282243.n37

Mahadi, L., & Wandebori, H. (2024). Analysis of Service Quality PT Pos Indonesia to Improve Market Share. *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis*, 12(2), 2085–2094. https://doi.org/10.37676/ekombis.v12i2.5384

Mazhar, S. A., Anjum, R., Anwar, A. I., & Khan, A. A. (2021). Methods of data collection: A fundamental tool of research. *Journal of Integrated Community Health*, *10*(1), 6-10. https://doi.org/10.24321/2319.9113.202101

Mustikasari, L., Agushybana, F., & Pawelas Arso, S. (2024). Analysis Of Marketing Strategy In Hospital Health Institutions: A Systematic Literature Review. *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis,* 12(2), 2183–2190. https://doi.org/10.37676/ekombis.v12i2.5423

Prasetyani, D., Abidin, A. Z., Purusa, N. A., & Sandra, F. A. (2020). The prospects and the competitiveness of textile commodities and Indonesian textile product in the global market. Etikonomi, 19(1), 1-18. https://doi.org/10.15408/etk.v19i1.12886.

Olawale, S. R., Chinagozi, O. G., & Joe, O. N. (2023). Exploratory research design in management science: A review of literature on conduct and application. *International Journal of Research and Innovation in Social Science*, 7(4), 1384-1395. https://doi.org/10.47772/IJRISS.2023.7515

Purwanto, Niken Paramita. (2024). The Future Of the Indonesian Textile Industry: Info Singkat DPR/RI Vol XVI, No.14/II/Pusaka/July/2024. Retrieved from https://berkas.dpr.go.id/pusaka/files/info_singkat/Info%20Singkat-XVI-14-II-P3DI-Juli-2024-235-EN.pdf

Rinjany, F. (2025). Empowering Local Brands Through Strategic Branding: Case of MFD Studio. *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis*, *13*(1), 501-514. https://doi.org/10.37676/ekombis.v13i1.7560

Rabiee, F. (2004). Focus-group interview and data analysis. *Proceedings of the nutrition society*, 63(4), 655-660. https://doi.org/10.1079/PNS2004399

Rohman, I. K., Luviyanto, A. N. , & Ginting, E. G. P. (2025). The Textile and Garment Industry's Fate: Inevitable Decline or Structural Shift? Retrieved from https://ifgprogress.id/wp-content/uploads/2025/02/Eco._Bulletin_ textile-and-garment-1.pdf

Rozmi, A. N. A. . (2022). The Perception of ICT Adoption in Small Medium Enterprise: A SWOT Analysis. *International Journal of Innovation and Business* Strategy (IJIBS), 9(1). Retrieved from https://ijibs.utm.my/index.php/ijibs/article/view/71

Sari, R. D. P., & Oktora, S. I. (2021). Determinan produktivitas tenaga kerja industri manufaktur besar dan sedang di Pulau Jawa. *Jurnal Ekonomi Dan Pembangunan Indonesia*, 21(2), 4. https://doi.org/10.21002/jepi.2021.12

Skotnicka-Zasadzień, B., Zasadzień, M., & Grebski, W. (2023). Application of Tows/Swot Analysis As an Element of Strategic Management on the Example of a Manufacturing Company. *Sci. Pap. Silesian Univ. Technol. Organ. Manag. Ser*, *2023*, 541-551. http://dx.doi.org/10.29119/1641-3466.2023.189.34

Sugeng, A. N. R., Romasindah, W., & Saiful, S. (2022). Regulatory and Policy Arrangement of The Textile Industry and National Textile Products for Clothing Resilience. International Journal of Research and Innovation in Social Science (IJRISS) volume-6-issue-9, 05-15. https://doi.org/10.47772/IJRISS.2022.6901

Zakaria, A., Arof, A. M., & Tholarnathan, T. (2022). SWOT and TOWS matrix analysis: A study on Ro-Ro Port Klang Malaysia. In *Advanced Maritime Technologies and Applications: Papers from the ICMAT 2021* (pp. 49-60). Cham: Springer International Publishing. https://doi.org/10.1007/978-3-030-89992-9_5

Žmegač, D., Čolig, M., & Drezgić, S. (2024). Simulation model of the quantified SWOT/TOWS matrix on an example of situational analysis at subnational level. *Zbornik Veleučilišta u Rijeci*, *12*(1), 23-35. https://doi.org/10.31784/zvr.12.1.12