

Research.

## STRATEGY FORMULATION OF PT. BANK PEMBANGUNAN DAERAH KALIMANTAN TIMUR

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**Abstract.** *The purposes of this study are: 1. To find out the factors which become the main strengths and weaknesses of PT. Bank Pembangunan Daerah Kalimantan Timur 2. To find out the factors which become the opportunities and threat weaknesses of PT. Bank Pembangunan Daerah Kalimantan Timur 3. To find out the right strategies to be implemented in PT. Bank Pembangunan Daerah Kalimantan Timur. The population in this study is a group of management officials of PT. Bank Pembangunan Daerah Kalimantan Timur with total 5. headquarter employees. The results of this study show that the alternative strategy which can be implemented by management of PT. Bank Pembangunan Daerah Kalimantan Timur management based on the results of Quantitative Strategic Planning Matrix (QSPM), i.e. internal and external long-term implementation based on TAS (Total Attractiveness Score), i.e. Product innovation  $3.15 + 3.07 = 6,22$  Market research  $2.69 + 2.98 = 5.67$  Increasing the number of customers  $2.89 + 3.02 = 5.91$  Improvement of services  $2.79 + 2.83 = 5.62$ , whereas the Implementation of Medium-term strategies are: 1. Providing information about the product provision that applied according to the provisions of Bank Indonesia 2. Providing up-to-date knowledge products enable the employees to be able to control the banking industry 3. Promoting activities in each corner of the market in the field of education, tourism and collaboration with local governments 4. Providing convenience in providing credit loans to customers according to their needs. While the Short-term implementations are: 1. Provide regular training enable the employees to maintain and improve customer service 2. Maintain the existing products and improve product innovation to anticipate new products of competitors 3. Perform promotional activities through print media and electronic media by using brief and clear discussion in order to attract customers and facilitate with a maximum budget 4. Controlling financial expenses and manage capital in order to create profits and anticipate liquidation.*

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Key words : BPD Kalimantan Timur – Strategy Analysis

### PREFACE

#### Background

Economic conditions in the era of globalization bring changes and development in various aspects of life. This also has implications for the development of the existing banking system, the emergence of new banks managed by regional governments. The bank is one of the most important charts in the modern economic system because it has a strategic position as an intermediary, i.e. collecting funds from people and re-distribute

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to those in need and supporting the payment system. Because of this function, the bank is the driving force of economic that will support and sustain economic activities in society.

Economic world crisis in this era, forcing the banks in the country to make a strategy to maintain their business. Many economists also predict that if banks are not ready to deal with this, the impact will be very large on the bank development. Even the current global crisis, it is feared that it will be worse than the economic crisis in 1997. The strategy undertaken by banks to deal with this, basically formed on how to control the existing of market share, despite the economic growth is unstable that causes deflation in the market as well.

One of the efforts made by banking sector is to fix its features of product. Besides, rising savings and interest rates of loan is the final solution so that people do not compete to take the funds. The invention of banking products with more sophisticated features should be offered to customers then it attracts customers or prospective customers. And besides, new products are also created with various features according to current market. All of these efforts are carried out to answer market needs so that the banks can indirectly reach a wider market share. Banking is a means that is able to facilitate all business transactions, both financially and non-financially. The more growing someone's "business", the greater the need and relationship to the banking world.

The point is there are many strategies have been carried out by the banks to become the best bank and capable to dominate the market, such as:

1. Promoting and giving door prize to customers as an effort in order to attract people saving at the bank.
2. Developing in the field of banking technology to fulfil social needs.
3. Improve convenient and customer service, from the way how employees serve customers to the comfortable office room is a target of improvement.
4. Offering competitive interest rates.
5. Opening branch offices, units, services, extending ATM machines, and offering various kinds of facilities for prospective customers.

PT. Bank Pembangunan Daerah Kalimantan Timur is one of Regional Companies of Provincial Government and Districts in East Kalimantan as a thought of East Kalimantan Governor, A. Moeis Hasan, established on October 14, 1965 based on Perda. Tingkat I Kalimantan Timur No. 03 / PD164, September 19, 1964 which had been approved by the Minister of Home Affairs No.9 / 0 / 8-45 April 1, 1965. And Perda (Regional Regulation) has been changed into Perda. Kalimantan Timur No. 02 / 2002, February 1, 2002 concerning Bank Pembangunan Daerah Kalimantan Timur, Perda No. 02 of 2006 dated April 26, 2006 concerning the First Amendment to East Kalimantan Provincial Regulation Nomor 02 of 2002.

Every bank has a strategy pattern that is almost the same between one another. What distinguishes it is only in determining "top priority". In this paper we will discuss the strategies carried out by banks to win market competition through the creation of reliable marketers as the spearhead of bank expansion into the community. Banking in this case does not just stay silent waiting for customers to come to the bank but try to attract as many customers as possible through the ability of the marketers owned by the bank.

To be the best, banking always tries to fulfil all social needs by improving the banking products they have. Even the banks sometimes have to create new products in order to expand their market segment. The progress of this product is in line with the increasing social needs in the banking world. These new products actually created because of the interaction between the bank and community.

The number of customers of PT. Bank Pembangunan Daerah Kalimantan Timur as follows:

Table 1  
Customers Data 2016

No	Month	Number of Customers
1	January	1130
2	February	1330
3	March	1892
4	April	1881
5	May	1290
6	June	1289
7	July	1425
8	August	1826
9	September	1338
10	October	1456
11	November	1389
12	December	1367

Table 1 shows customer data that fluctuates and near to decrease, it indicates that the achievement of targets cannot be carried out, so for that we need a strategy in order to increase the profit that has been targeted by the company.

### Research Purpose

Based on the formula above, the objectives of this study are:

1. To find out the factors which become main strengths and weaknesses of PT. Bank Pembangunan Daerah Kalimantan Timur.
2. To find out the factors which become opportunities and threat weaknesses of PT. Bank Pembangunan Daerah Kalimantan Timur
3. To find out the right strategies to be implemented at PT. Bank Pembangunan Daerah Kalimantan Timur.

## LITERATURE REVIEW

### Strategy

According to David, Fred R. (2008), strategy is a potential action that requires top management decisions and large amounts of company resources. In addition, the strategy influences the long-term development of the company, usually for the next five years, and herefore oriented towards the future. Strategies have multifunctional or multidivisional consequences and need to consider both external and internal factors faced by the company.

### Strategic Management

According to Umar, Husein (2002: 17). Strategic Management is the art and science of formulating, implementing, and evaluating strategic decisions in functions that enable an organization to achieve its goals in the future.

### Strategic Formulation

According to Supratikno, Hendrawan (2003: 9), the most influential stream in strategic formulation process referred to the management literature as "the design school". This stream says that the organization's strategy is basically attempt to create a "fit" or "match" between the organization's internal capabilities and external opportunities. The analytical tool helps to create "fit and macth" is SWOT analysis.

### Mission and Vision Statement

According to David, Fred R. (2009: 16). There are many organizations develop both mission statements and vision statements. While the mission statement answers the question, "What is our business?" The vision statement tries to give the answer to the question, "What do we want to be?" Many organizations have both statements.

### External Audit

According to David, Fred R (2009: 120). "The purpose of external audit is to develop a limited opportunities list that can benefit a company and threats that must be avoided".

### Internal Audit

According to David, Fred R (2009: 120). "The purpose of an external audit is to develop a limited power list that can benefit a company and weaknesses that must be avoided".

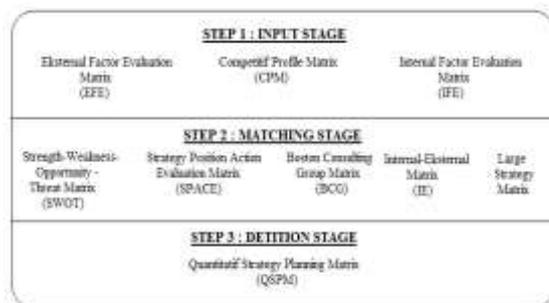


Figure 1. Analysis Framework Strategy Formula

## METHODS / TYPES OF RESEARCH

The research method in this paper is a descriptive method with a field survey approach. Descriptive method discusses problems by describing characteristics, describing and interpreting as a conclusion. The purpose of the field survey approach is to obtain facts from existing symptoms and seek information relevant to the research objectives. This research method can be used with more aspects and wider than other methods. This method also provides up-to-date information so that the development of science and more applied to various problems.

### Research Objective

The object of this study is PT. Bank Pembangunan Daerah Kalimantan Timur, at Jl. Jenderal Sudirman No. 33 Samarinda, Kalimantan Timur.

### Population and Sampling

The sampling technique aims to determine the limits for the population that you want to study. This study used a purposive sampling technique, i.e. taking sample members based on certain considerations. The members of this study sample are management officials of PT. Bank Pembangunan Daerah Kalimantan Timur, 5 head office employees. Because managers know for sure and they are totally responsible for the strategy which taken by the company.

### Research Variable

According to Sugiono (2006: 31), research variable is basically anything applied being studied by researcher.

The variables of this study are opportunity factors and external threats that are being or will be faced by the company and the internal strengths and weaknesses of the company that are identified as independent variables that determine each change of dependent variable, i.e. company's strategy.

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#### **Internal factors of the company:**

1. Strengths

Strength is the resources, skills, or other advantages that are relative to competitors and the market needs that the company wants to serve. Strength is a special competency that provides a comparative advantage for companies in the market.

2. Weaknesses

Weakness is limitation or deficiency of resources, skill, and capability that interrupts the company's effective performance.

#### **External factors of the company:**

1. Opportunity is an important situation that is beneficial in a company environment.

2. Threat is very important situation that is not profitable in a company environment.

#### **The company's main competitors and competitive factors:**

1. The company's main competitors

2. Identify other companies which are considered as the main competitors.

3. Competitive factors of a company

4. Factors that considered to influence the success of a company. These factors include internal and external issues

#### **Competitive Position and Market Growth:**

1. Competitive position

Identify competitive position of a company compared to its competitors.

2. Market growth

Identify if the market is still growing, and its growth is going fast or not.

#### **Types of Data and Data Collective Methods**

##### **Types of Data**

Types of Data used in this study:

1. Primary data

Primary data is an obtained data from the first source of individuals such as interviews or questionnaires carried by researchers. In this study, research data was obtained through the results of company's internal processing identified as independent variables that determine each change of the dependent variable, i.e. company's strategy.

2. Competitive Profile Matrix (Competitive Profile Matrix-CPM)

Factors that influence CPM matrix consist of critical success factors.

3. SWOT Matrix (Strength, Weakness, Opportunity, Threat)

Internal factors of a company:

1. Strengths: company power that place a company at advantage in functional fields, including management, marketing, finance or accounting, production or operational, research and development, and management information system

2. Weaknesses: characteristic that place a company at disadvantage in functional fields, including management, marketing, finance, or accounting, production or operational, research and development, and management information system

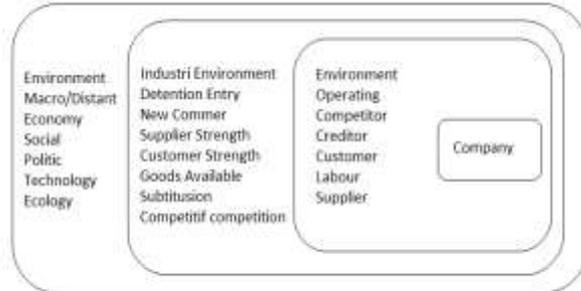
External factors of a company:

1. Opportunities: elements in economic, social, cultural, demographic, government, technological laws, and competition power.

2. Threats: elements in government and law, competition strength and technology can be threats to a company.
3. Grand Strategy Matrix (GS).

Factors that influence GS matrix:

**The Input Stage**



In evaluating strategic factors at this stage, External Factor Evaluation Matrix, Evaluation Matrix, Internal Factors, and Competitive Profile Matrix are used.

This stage has been divided into EFE, IFE, and CPM Matrix, also how to specify its weight, rating, and score.

1. CPM Matrix (Competitive Profile Matrix)  
 CPM matrix is a tool used to identify the company's main competitors as well as their strengths and weaknesses in relation to the strategic position of competitor companies.
2. This CPM matrix is organized based on:  
 Select and specify the two closest competitors of the company  
 Select and specify factors for company success

**Matching Stage**

After collecting all informations that influence the continuity of a company, the next step is to utilize all quantitative formulation strategies. The matrix used as follows:

1. TOWS Matrix

This matrix can illustrate clearly how the opportunities and external threats faced by a company can be adjusted to the strengths and weaknesses it has. Threats-Opportunities-Weaknesses-Strengths (TOWS) Matrix is an important matching tool to help managers develop four types of strategies. This matrix can produce four possible alternative strategies as shown in the following figure.

	Strength (S) 1. 2. Strength Factors 3. 4.	Weakness (W) 1. 2. Weakness Factors 3. 4.
Opportunity (O) 1. 2. Opportunity Factors 3. 4.	SO Strategy (Use strength to take opportunities)	WO Strategy (Solve weakness by using opportunity)
Threat (T) 1. 2. Threat factors 3. 4.	ST Strategy (Use strength to avoid threat)	WT Strategy (Minimalized weakness and avoid threat)

Figure 2. TOWS Matrix

- SO Strategies (SO = Strength-Opportunity)
- WO Strategies (WO = Weakness-Opportunity)
- ST Strategies (ST = Strength-Threat)
- WT Strategies (WT = Weakness-Threat)

## RESULT AND DISCUSSION

### Vision and Mission

**Vision** "Become Strong, Competitive And Contributive True Regional Champion In Supporting Quality Regional Economic Growth."

### Mission

1. Strengthen institution resilience through the implementation of quality compliance and risk management.
2. Develop solutions and technology-based banking products and services.
3. Become a major supporter of economic development programs and support the empowerment of the people's economy.
4. Increase social awareness for community and surrounding.
5. Maintain and enhance the reputation of the Bank.

### Review

#### Step 1: The Input Stage

#### CPM Matrix (Competition Profile Matrix)

This CPM matrix provides information about the company's competitive position compared to its main competitors. To get profile data of PT. Bank Pembangunan Daerah Kalimantan Timur is directly obtained from the leadership because the author works at the bank, for both competitor banks the author conducted interviews with the staff of Human Resource Management to get information relating to research data. The competitors to PT. Bank Pembangunan Daerah Kalimantan Timur are PT. Bank Pembangunan Daerah Kalimantan Barat and PT. Bank Pembangunan Daerah Kalimantan Selatan.

Step 1 of The Input Stage in this research can be seen in the table below:

Table 2. CPM Matrix

Critical Success Factor	Weight	PT. BPD KALTIM		BPD KALBAR		BPD KALSEL	
		Rating	Score	Rating	Score	Rating	Score
Asset	0.20	4	0.80	3	0.60	3	0.6
Human Resource	0.15	3	0.45	3	0.45	2	0.3
Product	0.17	3	0.51	3	0.51	3	0.51
Technology	0.15	2	0.30	2	0.30	2	0.3
Brand Image	0.15	3	0.45	2	0.30	2	0.3
Market Share	0.18	3	0.54	2	0.36	2	0.36
	1.00		3.05		2.52		2.37

Information:

- 1 = Major Weakness (low)
- 2 = Minor Weakness (medium)
- 3 = Minor Strength (high)
- 4 = Major Strength (heavy)

Information:

1. PT. Bank Pembangunan Daerah Kalimantan Timur has more assets than its competitors.
2. PT. Bank Pembangunan Daerah Kalimantan Timur has qualified and professional human resources more than both competitor banks mentioned above.
3. PT. Bank Pembangunan Daerah Kalimantan Timur provides banking products in accordance with applicable BI provisions and is able to compete in market share.
4. PT. Bank Pembangunan Daerah Kalimantan Timur provides up-to-date technology to support its operational activities.

Brand Image

Table 3. IFAS Matrix

Table 12  
IFAS

Strength	Weight	Score	Weight x Score
S1 → Variety of PT. BPD Kahim products and appropriated social needs	0,091	3,80	0,347
S2 → Simple product service procedure, low price, and rapid	0,102	4,00	0,409
S3 → More efficiency profit perspective	0,103	3,60	0,373
S4 → Network and competitive	0,098	3,60	0,352
S5 → Talented employee	0,107	2,60	0,277
<b>Weakness</b>			
W1 → Limited promotion cost	0,103	2,80	0,290
W2 → Human resource improvement	0,097	3,20	0,310
W3 → Lack of product growth	0,102	2,30	0,236
W4 → Lack of culture adaptation	0,107	2,00	0,214
W5 → Low employees education	0,089	3,20	0,285
<b>Total IFAS</b>	<b>1,000</b>	<b>31,600</b>	<b>3,143</b>

Information:

1. Strengths  
 In strengths, the highest weight is a product that has good and durable quality, because product quality is concerned by PT. Bank Pembangunan Daerah Kalimantan Timur. The highest rating on strengths is simple product service procedure, low price and rapid with 4.09 highest point.
2. Weaknesses  
 In weaknesses, the quality of human resources still needs to be improved. The highest rating on weakness is human resources quality that still needs to be improved with the 3.10 highest point of calculation results of IFE matrix as a whole obtained with 3.143 total score which indicates that the company's internal position is quite strong. The company is quite capable using its strengths and solving its weaknesses well.

Table 4. EFAS Matrix

Table 13  
EFAS

Opportunity		Weight	Score	Weight x Score
O1	→ Cooperation among bank	0,086	4,00	0,343
O2	→ Government policy that supports BPD Kalam	0,091	4,00	0,365
O3	→ Population increase every year	0,106	3,00	0,317
O4	→ Globalization era	0,096	3,20	0,306
O5	→ Competition in interest rate	0,097	3,80	0,368
Threat				
T1	→ Limited technology	0,126	2,80	0,352
T2	→ Indonesian economy stability and infrastructure	0,127	2,20	0,279
T3	→ Government policy to foreign banks	0,095	2,00	0,189
T4	→ Lack of social knowledge and comprehension of PT. BPD Kalam and products	0,107	2,80	0,299
T5	→ Conventional banks provide more interesting advertisement	0,071	3,40	0,242
Total EFAS		1,000	31,20	3,059

Information:

1. Opportunities

The highest weight of opportunities is the presence of government policies that support the existence of PT. Bank Pembangunan Daerah Kalimantan Timur at the 0.365 highest point, because PT. Bank Pembangunan Daerah Kalimantan Timur supported by regional government policies.

2. Threats

The highest weight of opportunities is the advertisements which presented by conventional banks are more attractive, because by competitors appearance will affect the company existence with the 0.242 highest point, therefore PT. Bank Pembangunan Daerah Kalimantan Timur must advertise regularly through print and electronic media.

The calculation results of all external strategic factors produce 3.059 total score (number of opportunity scores plus threat scores). This shows that the external situation of the company above the average is that the company is able to respond to external factors by utilizing the opportunities that exist to overcome the threat. From total value, it can be concluded that the company is in a high position at facing opportunities and threats with the total score weighted higher than the average value of 3.00.

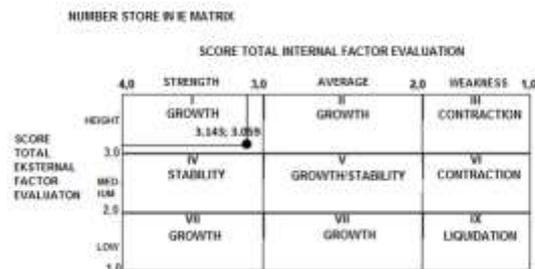


Figure 10  
The Internal - External

Figure 3. IE Matrix

Information:

1. Quadrant I, II, IV = Grow and Develop = Market Development.
2. Quadrant III, V, VII = Keep and Maintain = Market Penetration, Product Development.
3. Quadrant VI, VIII, IX = Harvest = Enjoy Results.

Information:

In the figure above it can be seen that the total coordinates of evaluation scores of internal and external factors are placed in cell I, II, or IV, it is the impact of growth

strategy. The matrix column, which is the total evaluation score of internal factors, shows the strength of weak business position of PT. Bank Pembangunan Daerah Kalimantan Timur in market competition. While the row matrix, as total score evaluation of external factors, represents the high and low attractiveness of the market.

Table 14  
 TOWS Matrix

	INTERNAL	STRENGTHS	WEAKNESS
EXTERNAL		1. Variety of PT. BPD Kaltim products and prepared social needs 2. Simple product service procedure, low price, and rapid 3. More efficiency profit perspective 4. Network and competitive 5. Talented employees	1. Limited promotion cost 2. Human resource improvement 3. Lack of product growth 4. Lack of culture adaptation 5. Low employees education
	OPPORTUNITIES-O	SO STRATEGY	WO STRATEGY
	1. Cooperation amongs bank 2. Government policy that supports BPD Kaltim 3. Population increase every year 4. Globalization era 5. Competition in interest rate	1. Improve product strength and utilize potential cognition of investment 2. Strengthen excellence image in marketing activities 3. Improve human resource and service based customer needs 4. Improve marketing opportunity of PT. BPD Kaltim 5. Strengthen marketing achieve the highest banking market share in Indonesia (S1, O1, O2)	1. Improve education grade 2. Improve employee skills by providing training such as product knowledge 3. The best quality tools enriched (W1, O2)
THREATS-T	ST STRATEGY	WT STRATEGY	
	1. Limited technology 2. Indonesian economy stability and infrastructure 3. Government policy to foreign banks 4. Lack of social knowledge and competition of PT. BPD Kaltim and products 5. Conventional banks provide more interesting	1. Focus on targeting the middle and upper class 2. Provide the best service and facility as customer engaged 3. Update service in order to fulfil customer needs in banking 4. Training employees based on company standard 5. Give information about PT. BPD Kaltim service and product to customers (S1, T1, T4)	1. Training employee performance program 2. Give reward to professional employee 3. Carry out internal programs to upgrade employee professionalism 4. Create synergy culture and support each other in company (W1, T2)

Figure 4. TOWS Matrix

TABLE 15  
 SPACE MATRIX

Internal Strategic Position Competitive Advantage - CA (+6 worst; -4 best)		External Strategic Position Industry Strength - IS (-1 worst; +6 best)	
Banking products of PT. BPD Kaltim guaranteed	3	Improve geographic and product	4
Able to solve various banking problems	-4	Improve banking industry competition	4
Use modern banking technology that is capable to support banking activities	-3	Current law improves banks to follow other banks being promoted	4
PT. BPD Kaltim has strong customer points	-2		
Average	-1.75	Average	4.00
Rival Strength - RS (-1 worst; +6 best)		Environment Stability - ES (+6 worst; -1 best)	
PT. BPD Kaltim has supported tools	4	Neighbour countries have high industries and political conflict	-2
Land profit has increased every year	2	Samarinda of East Kalimantan relies on coal oil and palm industries	-2
Number of customers improvement	4	Banking deregulation has created instability in all industries	-3
		Geographically, East Kalimantan located in the Equator which has great natural resource	-2
Average	2.75	Average	-2.50

Figure 5. Space Matrix

Calculation:  
 CA average =  $-11 : 4 = -2.75$   
 FS average =  $15 : 4 = 3.75$   
 IS average =  $12 : 3 = 4.00$   
 ES average =  $-10 : 4 = -2.50$

Line X = CA average + IS average =  $(-2.75) + 4.00 = 1.25$   
 Line Y = FS average + ES average =  $3.75 + (-2.50) = 1.25$

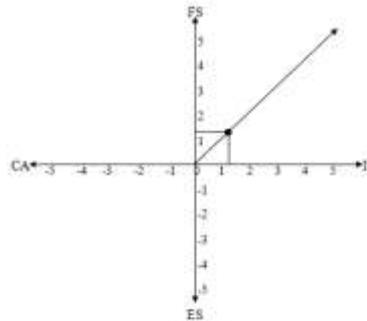


Figure 11  
 SPACE Matrix Graphic

Table 16  
 PT. BPD Kaltim Division

Unit	Profit	Profit (%)	Revenue	Revenue (%)	The Highest Competitor Market Share (%)	Market Share (%)	Relative Market Share	Growth Market Level
Finance and Accounting Division	5,000	34.45	2,000	15.38	20	5	0.25	11
Business and Funding Division	3,500	24.14	5,000	38.46	25	21	0.84	12
Treasury and Intemasional Division	2,500	17.24	1,000	7.69	15	8	0.53	8
Technology and Information Division	2,500	17.24	2,000	15.38	50	23	0.46	17
Human Capital Division	1,000	6.90	3,000	23.08	30	5	0.17	4
TOTAL	14,500	100.00	13,000	100.00				

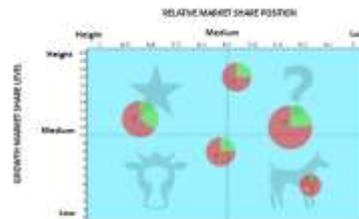


Figure 12  
 BCG PT. BPD Kaltim Matrix

Figure 5. BCG Matrix

**Table 5. Strategic Feasibility**

Table 17  
Alternative Feasibility

Alternative Strategy	Appears From Matrix	Feasible/ Not Feasible	Reason
Product Innovation	CPM & TOES Matrix	Feasible	1. Improve market opportunity of PT. BPD Kaltim in Kalimantan Timur 2. Strengthen marketing to achieve the highest banking market share in Indonesia
Market Penetration	TOWS & IE Matrix	Feasible	1. Variety of PT. BPD Kaltim products and appropriated to social needs 2. Simple product service procedur, low price, and rapid
Increasing number of Customers	CPM & TOWS Matrix	Feasible	1. Improvement employee skills by providing training such as knowledge product 2. The best quality tools enriched
Service Improvement	TOWS Matrix	Feasible	1. Focus on targeting the middle and upper class 2. Provide the best service and facility as customers expected

**Table. 6 QSPM**

Table 18  
QSPM

NO	Key Factors	Weight	product innovation		market penetration		improve number of customers		improve service	
			AI	TAI	AI	TAI	AI	TAI	AI	TAI
<b>Internal Key Factors</b>										
<b>Strengths</b>										
1	Variety of PT. BPD Kaltim products and appropriated social needs	0,20	4	0,20	4	0,20	4	0,20	4	0,20
2	Simple product service procedur, low price, and rapid	0,20	4	0,40	4	0,40	4	0,40	4	0,40
3	More efficient profit perspective	0,20	4	0,20	3	0,20	3	0,20	4	0,20
4	Skilled and competitive	0,20	4	0,20	3	0,20	3	0,20	3	0,20
5	Talented employee	0,20	3	0,20	3	0,20	3	0,20	3	0,20
<b>Weaknesses</b>										
1	Limited government case	0,20	3	0,20	3	0,20	3	0,20	2	0,20
2	Human resource improvement	0,20	3	0,20	2	0,20	4	0,20	3	0,20
3	Lack of product service	0,20	3	0,20	2	0,20	3	0,20	2	0,20
4	Lack of culture adaptation	0,20	3	0,20	3	0,20	3	0,20	3	0,20
5	Lack employee education	0,20	3	0,20	3	0,20	3	0,20	3	0,20
TOTAL			1,00	3,10	3,10	2,80	3,10	2,80	3,10	2,80

NO	Key Factors	Weight	product innovation		market penetration		improve number of customers		improve service	
			AI	TAI	AI	TAI	AI	TAI	AI	TAI
<b>External Key Factors</b>										
<b>Strengths</b>										
1	Cooperation among bank	0,080	4	0,24	3	0,24	2	0,16	2	0,16
2	Government policy that supports BPD Kaltim	0,080	4	0,24	4	0,24	4	0,24	4	0,24
3	Population increase every year	0,100	3	0,30	4	0,40	4	0,40	4	0,40
4	Globalization era	0,080	3	0,24	3	0,24	3	0,24	3	0,24
5	Competition in interest rate	0,060	4	0,24	4	0,24	4	0,24	3	0,18
<b>Weaknesses</b>										
1	Limited technology	0,120	3	0,36	2	0,24	3	0,36	2	0,24
2	Indonesia economy stability and infrastructure	0,120	2	0,24	2	0,24	2	0,24	2	0,24
3	Government policy to foreign bank	0,090	2	0,18	3	0,27	3	0,27	2	0,18
4	Lack of social knowledge and competition of PT. BPD Kaltim and products	0,100	3	0,30	3	0,30	3	0,30	3	0,30
5	Conventional bank provide more interesting advertisement	0,070	3	0,21	2	0,14	2	0,14	2	0,14
TOTAL			1,00	3,07	3,98	3,01	3,01	2,83	2,83	2,83

Information:

- 1 = No attraction
- 2 = Low attraction
- 3 = Medium attraction
- 4 = High attraction

1. Long-term Implementation  
Internal and external TAS (Total Attractiveness Score)
  - a. Product innovation  
 $3.15 + 3.07 = 6.22$
  - b. Market penetration  
 $2.69 + 2.98 = 5.67$
  - c. Increasing number of customers  
 $2.89 + 3.02 = 5.91$
  - d. Service improvements  
 $2.79 + 2.83 = 5.62$
  
2. Medium Term Implementation
  - a. Human Resource
  - b. Share information about product provisions that apply according to the provisions of Bank Indonesia.
  - c. Product Provide up-to-date knowledge products to employees to be able to dominate banking industry.
  - d. Marketing Promote activities through the corner of the market in the fields of education, tourism and in collaboration with local governments.
  - e. Finance Provide a convenience to customers in credit loans according to their needs.
  
3. Long-term Implementation
  - a. Human Resource  
Provide regular training to employees in order to maintain and improve service to customers.
  - b. Product  
Maintain existing products and improve product innovation to anticipate new products from competitors
  - c. Marketing  
Conduct promotional activities through print and electronic media by using short and clear language in order to attract customers and facilitate with a maximum budget.
  - d. Finance  
Control financial expenditure and manage capital so that it can create profits and anticipate liquidation.

## CONCLUSION AND RECOMMENDATION

### Conclusion

From total results of TAS (Total Attractiveness Score) on QSPM matrix, the product innovation strategy is higher than market penetration and increasing number of customers, therefore a proper strategy is to innovate products, improve services, add or employ recruit employees or experts in support product development.

### Recommendation

1. By knowing the strengths and weaknesses of PT. Bank Pembangunan Daerah Kalimantan Timur, the factors of opportunities and threats from the external environment, PT. Bank Pembangunan Daerah Kalimantan Timur needs to continue all SWOT strategies (S-O, S-T, W-O, and W-T) with discipline and evaluate their effectiveness regularly.
2. In a growth position, management of PT. Bank Pembangunan Daerah Kalimantan Timur is advised to implement market penetration strategy decisions, market development or product development, and integrated strategies such as backward integration, forward integration and horizontal integration. PT. Bank Pembangunan

Daerah Kalimantan Timur needs to make greater marketing efforts and open up new potential markets both in and out of Jakarta

3. PT. Bank Pembangunan Daerah Kalimantan Timur needs to improve service in accordance with the expectations of its customers, fix the shortcomings of service facilities and infrastructure, develop its products by completing banking facilities and facilities for customers.

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