

Strategy Formulation Through Value Chain

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ABSTRACT. The rapid development of the business world has made competition between business units increasingly fierce. To overcome this, each business unit is required to survive in the competition by having a competitive advantage. The purpose of this study is to analyze how the form of competitive advantage of the Lurik Asik business unit. The research method used is a qualitative method. The research approach is carried out through case studies. The data used in this study is primary data. The data acquisition method used is an in-depth interview. The final result of this research is the formulation of a business strategy in order to increase the competitive advantage of a business unit. The results of the study have implications for business units to use strategies through innovation, stock management, production process efficiency, the importance of lurik cloth in the eyes of customers, and the prestige of lurik cloth in the fashion world to have a competitive advantage so that it will be able to survive in market competition and become a business unit that is competitive sustainable.

Keyword : Competitive Advantage; Lurik; Value Chain Analysis, VRIO Analysis JEL

Classification : L10, O20

INTRODUCTION

The rapid development of the business world has led to changes in the business environment that are accelerating. Every business unit needs to improve its business performance in order to survive in the competitive global business world. To be able to compete in today's business development must be accompanied by good business governance. It is important for business units to be able to create competitive advantages. Companies that do not have competitiveness will eventually be left behind by the market. It can be said that not having competitiveness means not having an advantage that can be highlighted to survive in a competitive market in the long term. According to Porter (1985) explains "competition is at the core of the success or failure of firms" which means that competition is related to the success or failure of the company. Competition can be an opportunity or a threat to a company. On the one hand, competition can spur companies to be more dynamic and motivated to produce the maximum possible products in the market. However, on the other hand, competition can weaken a static company. Companies that are unable to produce quality products will cause the company to fail.

Human life cannot be separated from its basic needs. Basic human needs consisting of clothing, food, shelter, and education must be fulfilled. One of the basic human needs that is visible and visible to others is the need for clothing (clothing). The need for clothing is currently increasing along with the times. Consumers of clothing products are currently in great demand. Models that are diverse and follow current trends make clothing enthusiasts increase. Therefore, many industries are competing to make clothing products that are able to meet the diverse needs and desires of consumers. This phenomenon is directly proportional to the number of business units in the clothing industry. The number of business units in the clothing industry is increasing from year to year. The increasing number of business units will have an impact on increasing competition in this industry. It can be said that an increase in the number of business units in the fabric manufacturing industry will also increase competition.

Competing with business actors in the same industry is a natural thing in managing a business unit (Handoyo & Ihalauw, 2016). The tight competition in the clothing industry, especially businesses that produce traditional fabrics, needs special attention. In Indonesia there are several types of traditional fabrics such as batik cloth, lurik cloth, ulos cloth, woven fabric, and others. These fabrics are a cultural heritage owned by Indonesia so that it continues to be sustainable. In the traditional fabric industry, business actors often experience difficulties when producing these fabrics. Starting from the difficulty in marketing their products to how to preserve these traditional fabrics so as not to lose competition with other modern fabrics. The existence of traditional fabrics needs to be preserved.

Indonesia has a wide variety of traditional fabrics. One of the oldest traditional fabrics is lurik. According to Yanuarti (2018) lurik fabrics have existed since 3000 years ago. This traditional fabric is unique because it represents the local cultural wisdom of the local community as its owner. Lurik is included in traditional handicraft art because it is made using traditional tools, namely non-machine looms (ATBM). Lurik fabrics are generally made by artisan communities in villages and micro-industries scattered in rural areas. Therefore, the making of lurik cloth crafts is expected to be able to serve as a motor (driver) of the local economy as well as being able to provide socio-cultural and economic benefits to the wider community.

Klaten Regency is one of the areas that produces lurik cloth. In the Klaten Regency area there are several sub-districts that produce lurik cloth. One of them is Cawas District. Lurik cloth is a handicraft in Klaten that has been traditionally produced through non-machine looms (ATBM) to fulfill the needs of daily clothing. The making of lurik in the region has so far opened and provided employment opportunities for the local community, especially Cawas District (Firman, 2019). Because the making of lurik is made without the use of machines. The manufacturing process

requires patience and perseverance of the craftsmen as with other traditional handicrafts, although sometimes the wages earned by craftsmen from making lurik can still be said to be relatively minimal.

The phenomenon of the covid-19 pandemic also has a significant influence on the lurik fabric industry. The traditional lurik cloth handicraft household industry in Cawas District, Klaten Regency, which has not long risen from the downturn due to losing competition with factory-made lurik patterned fabrics, is again unsteady due to the impact of the Covid 19 pandemic. The passion of the weaving craftsmen who had flared up again was sluggish, because during the Covid 19 pandemic the marketing of traditional lurik fabrics produced by non-machine looms (ATBM) had decreased dramatically. According to the news page Suwanto (2020), during the Covid 19 pandemic, the production of craftsmen fell by around 70 percent. Referring to this phenomenon, it is necessary to have the right effort to survive in market competition. Craftsmen need to rack their brains so that the business currently being undertaken can survive amid the onslaught of the Covid-19 pandemic which is still not over. Although there are many challenges that need to be faced, it is hoped that these conditions will not cause the lurik fabric industry to lose the market or even become unknown to the public. In the future, there also needs to be a regeneration process so that this lurik fabric can survive and can become a superior product for the next generation. To strengthen marketing strategies and business competitiveness, every business actor must have a competitive advantage and be able to compete with other business actors (Widiastuti & Kharisma, 2023).

This research focuses on the formulation of business strategies to increase the competitive advantage of a business unit through Value Chain Analysis of the lurik cloth craftsmen business so that they can be able to adapt and survive in the face of increasingly rapid competition. It is hoped that this research can make a real contribution to striated fabric craftsmen to increase competitiveness by formulating the right business strategy used to create competitive advantage. So that practically this research can be a consideration for decision making for striated fabric craftsmen business units in developing a business that has competitiveness.

The grand theory used as the basis for this research is the Resource Based View (RBV). According to Wernerfelt (1995) Resource Based View (RBV) is an approach to achieving sustainable competitive advantage in the company. The company as a collection of resources and capabilities owned by the company is a view that is applied in RBV theory. It is very important to have resources and capabilities that are valuable, difficult to imitate, and rare in order to achieve sustainable competitive advantage. This theory explains that the success or failure of a business unit is determined by the internal conditions of the business unit. Each business unit must be able to manage its resources and capabilities in order to have a competitive advantage over competitors (Kessler & Stephan, 2013). This theory plays a role in research as a basis for identifying the resources and capabilities of the lurik asik business unit to be able to achieve competitive advantage, which is then analyzed resources and capabilities through VCA Analysis and VRIO Analysis.

Competitive advantage or competitive advantage is an ability possessed by a business unit that is able to create added value (value added) from its competitors in order to generate a higher rate of return. The definition of competitive advantage by Porter (1985) is the search for a favorable competitive position in an industry, as an arena for competition. The purpose of competitive advantage is to determine a profitable and sustainable position to win industrial competition. Business units both large and small industries that want to create competitive advantages must be able to process and explore their resources appropriately in order to win the competition (Ikhwan et al., 2022). The way that a business unit can do in order to have a competitive advantage over its competitors is that its business is able to prevent competitors from duplicating its products. Competitive advantage needs to be owned by the company to create consumer trust value (Sridadi, 2014).

Value Chain Analysis describes all activities used to produce goods and services. According to Porter (1985) explains Value Chain Analysis as a strategic analysis tool that can better understand the advantages of the company and can identify customer value that can be increased (value added). Value Added is the result of calculating the difference between the total cost of sales and the total cost of expenses to produce a product. Value added can also be interpreted as the difference between the purchase of a company's inputs and the results of the company's output sales revenue. Usually the added value of a product is formed when there is a change in the form of the original product (Priantara et al., 2016). According to Setyorini & Susilowati (2019), the added value in question is the added value obtained from reducing the value of production output by the value of production input. This analysis views the company as one of the product value chains. Through this analysis, it can assist management in knowing the company's position to increase competitive advantage in the product value chain (Puspitasari et al., 2017).

To develop the company in a better direction, this analytical tool is the best tool to be able to formulate the company's competitive advantage strategy. Through VCA, business units will be able to optimize activities that will provide value to customers for the purpose of maximizing profitability. Through this research can be known resources and capabilities that have the potential as a source of sustainable competitive advantage and have value for customers. The following VCA scheme is presented in the following Figure 1.

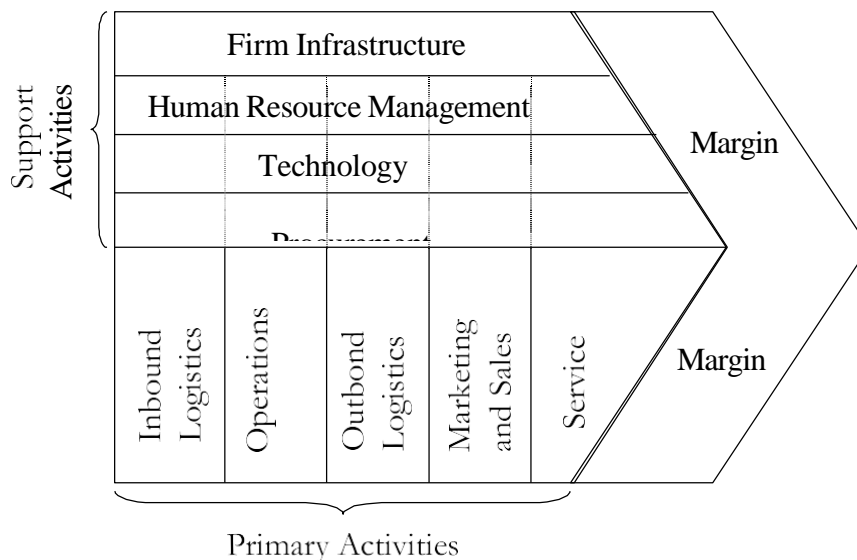


Figure 1. Value Chain Analysis Framework

Source: (Pearce & Robinson, 2007)

The VRIO framework is a tool to analyze the resources and capabilities of business units that have the potential as a source to generate sustainable competitive advantage (Barney & Hesterly, 2015). The use of the VRIO framework will assist business units in assessing the resources and capabilities of business units to generate sustainable competitive advantage. The following concept of the VRIO framework is presented in the following Figure 2.

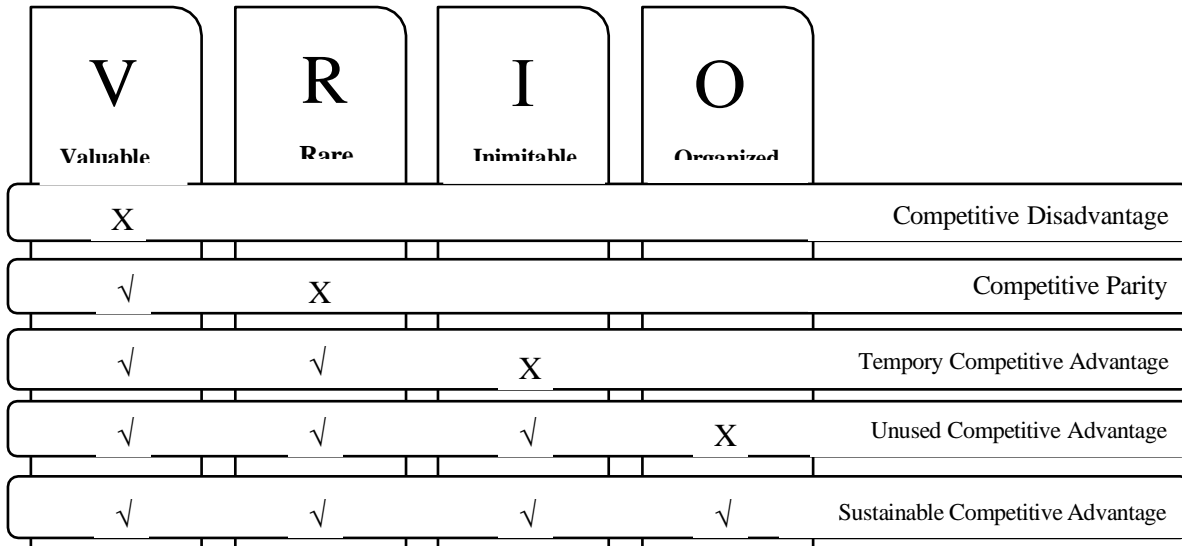


Figure 2. VRIO Framework

Source: (Barney & Hesterly, 2015)

METHODS

This research was conducted at a lurik cloth craftsman business unit in Cawas sub-district, Klaten Regency called Lurik Asik. The selection of research objects was carried out purposively. The method used in this research is a qualitative method. The research approach taken is a case study. The final result of this research is the formulation of a business strategy to increase the competitive advantage of a business unit. Porter (1985), explains that value chain analysis is one of the analytical tools that can be used to formulate strategies to increase competitive advantage.

The data used in this research is primary data. The data acquisition method used is in-depth interviews with the owner of the lurik asik business unit located in Cawas sub-district, Klaten district directly. The interviews conducted in this study were divided into two stages of interviews. The first stage was carried out by identifying the resources and capabilities owned by the business unit, in this case Lurik Asik. The identification of resources and capabilities carried out is adjusted to the elements of the value chain or using VCA (Value Chain Analysis).

The second in-depth interview was conducted after all resources and capabilities corresponding to the value chain elements had been identified. This second round of interviews was conducted to identify the resources and capabilities in the business unit that could be a source of sustainable competitive advantage. The analysis used in the second in-depth interview was VRIO analysis. The VRIO analysis used in the second stage of in-depth interviews is to analyze the results of the identification of resources and capabilities that have the highest score. The analysis carried out covers the elements of VRIO, namely Valuable, Rare, Imitate to cost, and Organized. The results of the respondent's checklist will then be grouped by researchers into five VRIO managerial implications, namely (1) competitive disadvantage, (2) competitive parity, (3) competitive temporary, (4) unused competitive advantage, and (5) sustained competitive advantage. From the results of the analysis, strategies to increase the competitive advantage for Lurik Asik can be formulated. Figure 3 illustrates the flow of strategy formulation to increase Lurik Asik's competitive advantage.

The formulation of business strategies is carried out by considering the results of the analysis of the resources and capabilities of the lurik asik business unit which fulfill the elements of VRIO Analysis to achieve competitive advantage. In addition, the formulation of competitive advantages is carried out

by maximizing several strategies that have been carried out by the owner of the lurik asik business unit in facing business competition.

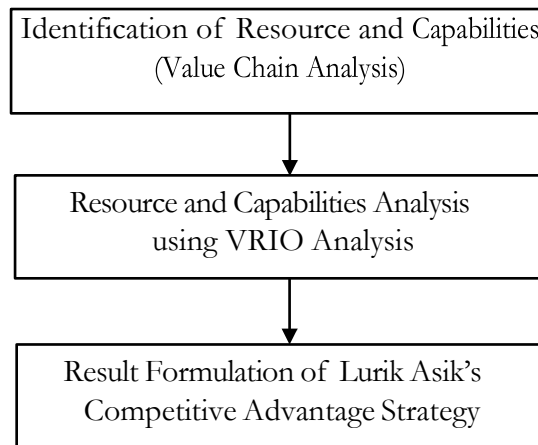


Figure 3. Flow Strategy Formulation Lurik Asik

Source : Processed by author

RESULT AND DISCUSSION

Lurik Asik has been established since 2017 in Titang RT 17 RW 07 Tlingsing, Cawas, Klaten, Central Java. This business has 15 to 20 workers. The workers are divided into several job desks, including weaving, ngeklos, nyekir, nyucuk, raw material planning, marketing, and finance. Workers at Lurik Asik vary in terms of length of employment. The Lurik Asik business sells the main products of lurik woven fabric and surjan fabric. Not only selling these two products, Lurik Asik also serves the purchase of yarn that has been given color. Secondary products that Lurik Asik has are patchwork rejects, clothes, and bags. These secondary products are made based on a pre-order system.

In terms of identifying resources and capabilities that have the potential to become sources of competitive advantage, Lurik Asik Business uses VCA. Exploring all of Lurik Asik's resources and capabilities using internal performance indicators that have the potential to become a source of competitive advantage. The following is a list of Lurik Asik's resources and capabilities.

Table 1. Lurik Asik's Resources and Capabilities through VCA

Resources and capabilities	VCA Components
Return of sales of lurik asik	Inbound logistic
Storage capacity of lurik asik in warehouse	Inbound logistic
Ability to handle lurik asik that are less marketable	Inbound logistic
Speed of checking or selection of saleable lurik asik	Inbound logistic
Lurik asik stock management	Operation
Quality service	Operation
Calculation of selling price of lurik asik	Operation
Consistency of lurik asik making	Operation
Ability to streamline lurik asik purchase services	Operation

Price tagging the lurik asik	Outbond logistic
Cooperate with other parties in introducing lurik asik	Outbond logistic
Ability to manage the storage of lurik asik so that they are not damaged	Outbond logistic
Provision of various products from lurik asik	Marketing and sales
Ability to communicate with customers	Marketing and sales
Providing rewards/bonuses to lurik asik customers	Marketing and sales
Customer feedback on lurik asik	Marketing and sales
Use of digitalization in selling lurik asik	Marketing and sales
A lurik fabric selling point	Marketing and sales
Modification of lurik fabric products (e.g. combined with plain motifs in making clothes)	Marketing and sales
Pamor lurik fabric in the fashion world	Marketing and sales
Speed of handling customer complaints	Service
Accuracy in returning change to customers	Service
Ability to assist customers in selecting lurik fabrics	Service
Ability to provide information to customers	Service
Cooperation with large traders (lurik fabric outlets)	Procurement
Loyalty of striated fabric workers	Human resources management
Family work culture	Human resources management
Bonus provision	Human resources management
Ability to recruit employees based on their expertise	Human resources management
Management in retaining human resources	Human resources management
Conventional management of lurik fabrics	Technology development
Conventional delivery of information and promotion	Technology development
Facilities and infrastructure	Firm infrastructure
Organizational structure	Firm infrastructure
Strategic location of lurik fabric sales	Firm infrastructure
Service quality management	Firm infrastructure
Large parking lot for lurik fabric customers	Firm infrastructure
Financial management of striated fabric	Firm infrastructure

Source : Processed by author

The resources and capabilities in the list above are a reference for conducting interviews with respondents. Respondents will assess these resources and capabilities based on their insights, expertise and experience using a Likert scale of 1 to 5 with the provisions of 1 being "Strongly Disagree (STS)", 2 being "Disagree (TS)", 3 being "Moderately Agree (S)", 4 being "Agree (S)" and the last 5 "Strongly Agree (SS)". The results of identifying all resources and capabilities of Lurik Asik based on the main activity components and supporting activities of VCA are presented in the table below.

Table 2. Inbound Logistic Component

Resources and Capabilities	Yes	No	Result
Importance of raw material purchase returns	√		S
Speed of checking or selection of raw materials	√		S
Business unit's ability to manage raw materials coming from suppliers	√		SS
Business unit's ability to handle defective raw materials (less marketable)	√		S

Source : Processes by author

Table 3. Operation Component

Resources and Capabilities	Yes	No	Result
Business unit's ability to innovate	√		SS
Business unit's ability to produce quality products	√		SS
Importance of striated fabric stock management	√		S
The importance of business units in calculating the selling price of lurik asik fabric products through the right method.	√		SS
Business unit's capability in efficient production process	√		S

Source : Processed by author

Table 4. Outbound Logistics Component

Resources and Capabilities	Yes	No	Result
Business unit's ability to process effective and efficient distribution	√		S
Ability to manage the storage of striated fabrics so that they are not damaged	√		S
Price tagging the striated fabric	√		S

Source : Processed by author

Table 5. Marketing and Sales Component

Resources and Capabilities	Yes	No	Result
Ability of the business unit to have good communication skills with customers	√		S
The importance of rewarding or discounting customers	√		S
The importance of cool lurik fabrics in the eyes of customers	√		SS
The importance of lurik fabric's image/promotion in the fashion world	√		SS
The importance of digitization or the use of technology to help marketing lurik asik fabrics	√		SS
The importance of a forum or media that accommodates criticism and suggestions from customers	√		SS

Source : Processed by author

Table 6. Service Component

Resources and Capabilities	Yes	No	Result
Speed in handling customer complaints	√		S
The ability of employees in a business unit to assist customers in choosing lurik asik fabric products	√		S
The ability of employees in a business unit to provide product information to customers well	√		SS
The importance of business units in providing rewards or bonuses to employees	√		SS
Speed in handling customer complaints	√		SS

Source : Processed by author

Table 7. Procurement Component

Resources and Capabilities	Yes	No	Result
The importance of business units partnering or cooperating with large traders (lurik fabric outlets)	√		S

Source : Processed by author

Table 8. Human Resources Management Component

Resources and Capabilities	Yes	No	Result
The importance of business unit employee loyalty	√		S
The importance of implementing work culture in the lurik asik business unit	√		S
The importance of recruiting employees needs to be based on their skills.	√		S
The role of technology in the production process of lurik fabrics	√		SS

Source : Processed by author

Table 9. Technology Development Component

Resources and Capabilities	Yes	No	Result
The importance of using technology in delivering information and promotions to customers	√		SS
The importance of production facilities and infrastructure owned by a business unit	√		SS

Source : Processed by author

Table 10. Firm Infrastructure Component

Resources and Capabilities	Yes	No	Result
Importance of strategic location for lurik fabric sales	√		S
Importance of display case layout of striated fabric products	√		S
The importance of a business unit needing to have a large parking lot	√		S

Source : Processed by author

Resources and capabilities that have the potential to become a source of competitive advantage for the Lurik Asik business unit total 38. Here the owner of the Lurik Asik business unit as a respondent in this study did not provide additional resources and capabilities even though he was allowed to add. The owner of the Lurik Asik business unit explained that the 38 existing resources and capabilities were felt to represent the overall picture of the condition of the Lurik Asik business unit. Then an in-depth interview was conducted with the owner of the lurik asik business unit to identify the resources and capabilities that exist in the business unit that can be a source of sustainable competitive advantage.

Resource and Capability Analysis Using VRIO Analysis

Of the 38 available resources and capabilities, resources and capabilities with criteria that have a value of 4 (agree) and 5 (Strongly Agree) were selected. Based on the criteria, 21 resources and capabilities were obtained. Then, the second stage of in-depth interviews was conducted to respondents by providing a checklist of 21 resources and capabilities. The results of the respondent's checklist will then be grouped by researchers into five VRIO managerial implications, namely (1) competitive disadvantage, (2) competitive parity, (3) competitive temporary, (4) unused competitive advantage, and (5) sustained competitive advantage.

Table 11. VRIO Analysis

Aspects	Point	Scale	V	R	I	O	Managerial Implications
Inbound logistic	Importance of raw material purchase returns	4	√	x	x	x	Competitive parity
Inbound logistic	Speed of checking or selection of raw materials	4	√	x	x	x	Competitive parity
Inbound logistic	Business unit's ability to manage raw materials coming from suppliers	5	√	√	x	√	Unused Competitive Advantage
Inbound logistic	Business unit's ability to handle defective raw materials (less marketable)	4	√	x	x	x	Competitive parity
Procurement	The importance of business units partnering or cooperating with large traders (lurik fabric outlets)	4	√	√	x	x	Competitive temporary
Operation	Business unit's ability to innovate	5	√	√	√	√	Sustained Competitive Advantage
Operation	Business unit's ability to produce quality products	5	√	x	x	x	Competitive parity
Operation	Importance of striated fabric stock management	4	√	√	√	√	Sustained Competitive Advantage
Operation	The importance of business units in calculating the selling price of lurik asik fabric products through the right method.	5	√	√	x	x	Competitive temporary
Operation	Business unit's capability in efficient production process	4	√	√	√	√	Sustained Competitive Advantage

Outbound logistic	Business unit's ability to process effective and efficient distribution	4	√	x	x	x	Competitive parity
Marketing and sales	Ability of the business unit to have good communication skills with customers	4	√	x	x	x	Competitive parity
Marketing and sales	The importance of cool lurik fabrics in the eyes of customers	4	√	√	√	√	Sustained Competitive Advantage
Marketing and sales	The importance of lurik's image/promotion in the fashion world	4	√	√	√	√	Sustained Competitive Advantage
Marketing and sales	The importance of digitization or the use of technology to help marketing lurik asik fabrics	5	√	x	x	x	Competitive parity
Human resources management	The importance of recruiting employees needs to be based on their skills.	4	√	√	x	√	Unused Competitive Advantage
Human resources management	The importance of business unit employee loyalty	4	√	x	x	x	Competitive parity
Service	The ability of employees in a business unit to assist customers in choosing lurik asik fabric products	4	√	√	x	√	Unused Competitive Advantage
Service	The ability of employees in a business unit to provide product information to customers well	4	√	√	x	√	Unused Competitive Advantage
Technology development	The importance of using technology in delivering information and promotions to customers	5	√	x	x	√	Competitive temporary
Technology development	The importance of production facilities and infrastructure owned by a business unit	5	√	√	x	√	Unused Competitive Advantage

Source : Processed by author

Primary Activities

a. Inbound Logistics

Resources and capabilities that fall into the inbound logistics category are only competitive parity and unused competitive advantage resources. Resources and capabilities such as (i) returns on raw material purchases (ii) speed of checking or selecting raw materials (iii) ability to handle defective raw materials

only fulfill the Valuable element. The three aspects must be owned and run by Kain Lurik Asik. If it is not carried out, it will cause errors that have an impact on the lurik asik fabric business process. Then for resources and capabilities such as the ability to manage raw materials that come from suppliers are included in the unused competitive advantage. Where this element is important for the continuity of production of lurik asik fabrics.

b. Operation

There are resources and capabilities in the operation category that become Sustained Competitive Advantage. These resources and capabilities are (i) the ability of business units to innovate (ii) the importance of managing lurik fabric stock (iii) the ability of business units in an efficient production process. The three resources and capabilities are the advantages of asik lurik cloth compared to other lurik cloth craftsmen. the ability of business units to innovate is defined as the ability of asik lurik cloth to innovate products to attract consumer attention and as a distinctive product of asik lurik cloth. The management of lurik fabric stock also has an impact on the ability of the business unit to manage the stock of lurik fabric that will be used for lurik asik production so that it can be utilized properly. Efficient production will also have an impact on the results of lurik fabric production and have an influence on the quality of lurik asik. Resources and capabilities in the form of the ability of business units to produce quality products are included in the managerial implications of competitive parity. This element must be implemented because if not, it will have an impact on customer satisfaction.

In addition, the ability of business units to calculate the selling price of asik lurik fabrics through appropriate methods is included in the managerial implications of competitive temporary. This means that this element is determined based on the level of difficulty of the lurik asik fabric product. The more complicated the lurik fabric produced, the higher the price will be.

c. Outbound Logistics

Resources and capabilities in the form of the ability of business units in an efficient production process are included in the competitive parity group. The production of lurik asik fabrics is carried out by utilizing yarn stocks to be made into lurik fabrics by going through several processes using non-machine looms (ATBM).

d. Marketing and Sales

Resources and capabilities in the form of (i) the ability of business units to have good communication skills with customers (ii) the use of digitalization or the use of technology to help market lurik asik fabrics are included in the competitive parity group. Both of these are important for lurik asik because this will help lurik asik in the process of selling lurik cloth to customers. Lurik asik needs to maintain good communication with customers. Then the use of digitalization is also carried out by lurik asik in terms of marketing but indeed lurik asik sells a lot to large outlets so that this makes lurik asik sales clearer. However, lurik asik still does marketing using digitalization through social media.

For resources and capabilities in the form of (i) asik lurik fabric in the eyes of customers (ii) the image / fame of lurik fabric in the fashion world is included in the sustained competitive advantage. Both elements are necessary advantages in the production of asik lurik fabric. Given that currently the production of lurik asik fabrics has begun to be eroded by other fashion that is currently developing, these two elements are very important to maximize so that lurik asik fabric products can be known to the wider community and the prestige or image of lurik fabrics is increasing.

e. Services

Resources and capabilities in the form of (i) the ability of employees in a business unit to assist customers in choosing lurik asik fabric products (ii) the ability of employees in a business unit to provide product information to lurik customers is included in the unused competitive advantage. These resources and capabilities mean that these elements are important for the sustainability of lurik asik fabrics and need to be carried out even though they do not have a significant impact on lurik asik sales.

Support Activities

a. Procurement

There are resources and capabilities in the procurement category that are competitive temporary. These resources and capabilities are the importance of business units partnering with wholesalers (lurik fabric outlets). This means that this element needs to be carried out continuously by lurik asik to increase sales opportunities for lurik asik.

b. Human Resource Management

Resources and capabilities in the form of the importance of recruiting employees based on their expertise are included in the unused competitive advantage. This means that recruiting employees based on expertise needs to be carried out for the sustainability of the lurik asik business. Recruitment is not too rigid, anyone who wants to learn is allowed to join the recruitment.

Then for resources and capabilities in the form of the importance of employee loyalty, the business unit is included in competitive parity. This element does not really affect the production process of lurik asik fabrics.

c. Technology Development

Resources and capabilities included in the technology development category have two managerial implications, namely competitive temporary and unused competitive advantage. resources and capabilities in the form of the importance of using technology in delivering information and promotions to customers are included in competitive temporary. This means that the use of technology to deliver information and promotions to customers needs to be carried out on an ongoing basis.

Then for resources and capabilities in the form of the importance of production facilities and facilities owned by a business unit included in the unused competitive advantage which means that facilities and infrastructure are needed for the continuation of the production of lurik asik fabrics. Lurik asik produces lurik asik fabrics using non-machine looms (ATBM) and several other equipment.

Based on the description above, the results of the VRIO analysis show that of the 21 resources and capabilities from the table presented, there are 5 resources and capabilities that are a source of Sustained Competitive Advantage for Lurik Asik. These resources and capabilities are as follows :

Table 12. Result VRIO Analysis

Resources and capabilities	VCA Components
Business unit's ability to innovate	Operation

Importance of striated fabric stock management	Operation
Business unit's capability in efficient production process	Operation
The importance of cool lurik fabrics in the eyes of customers	Marketing and sales
The importance of lurik's image/promotion in the fashion world	Marketing and sales

Source : Processed by author

Furthermore, the five resources and capabilities will be elaborated in depth into a lurik asik business strategy. This business strategy allows lurik asik to have a competitive advantage so that it will be able to survive in market competition and become a sustainable business unit. The following is an in-depth description related to the lurik asik business strategy, namely:

Business Unit's Ability to Innovate

One of the supporting factors in a company's competitive advantage is product innovation. The competitive ability of business units depends on the industry's ability to innovate differently from its competitors (Rahardjo et al., 2020). The definition of product innovation in Ramadhan (2022).

is a combination of processes that influence each other, so innovation is not just a new invention or the development of a new market, but innovation is a description of the entire existing process. According to Kusumawati (2010), innovation is needed by companies in order to become more competitive and able to survive. It is hoped that with the innovations made by the company, it can increase its competitive advantage so that the volume of product sales increases. Innovation is a novelty or idea that is developed so that consumers do not feel bored with existing products and these products are not monotonous. The importance of innovation is crucial when considering the rapid changes in people's tastes and rapid developments.

With this rapid development, we cannot just sit back and rely on existing products. Innovation is expected to be carried out on an ongoing basis to minimize customer boredom. Product innovation is not only in the physical form of the product, but can also innovate on product improvement, product development, and product distribution that the company can offer. When a company wants to increase its competitive advantage, the company must also be able to innovate. One form of innovation in the company is the creative ideas it applies. In order to become a superior product, business units need to create products that have their own uniqueness (Lionora & Kusumawardhani, 2019). Companies that can survive in the era of competition because their products are in demand by most consumers reflect that this innovation can affect competitive advantage.

The Importance of Striated Fabric Stock Management

Inventory stock management related to striated fabric products made needs to be managed properly so that there is no shortage or excess stock (Yun & Kurniawan, 2019). According to Tantan & Akdağ (2023), The most important thing that can be done to prevent excessive stock of inventory in the warehouse is to consider consumer demand. The right strategy to implement to overcome this is to impose delays on goods ordered from suppliers so that this strategy will be able to create a competitive advantage for striated fabrics. In addition to being able to create a competitive advantage, delays can increase flexibility in the supply chain and the ability to respond to consumers (Sanjaya et al., 2016). Therefore, companies must be able to manage product inventory stocks in storage or warehouses in order to minimize things that can harm the continuity of the business.

Business Unit Capability in Efficient Production Process

The production process carried out by a company in order to achieve a competitive advantage requires an efficient process so as not to waste anything less useful. The involvement of the production process with supply chain management is a step in streamlining manufacturing, storage, warehouses, and suppliers so that the right amount of goods are produced and distributed. An efficient production process aims to maximize overall value. The efficient production process of an item by a company will be able to increase productivity and sales growth to market share. When the implementation of supply chain management in a company produces good performance, that's when we can see that the production process is efficient (Wulandari et al., 2017).

The Importance of Lurik Cloth in the Eyes of Customers

Competitors for lurik fabric products can be said to be many, this makes the company must have a competitive advantage. Competitive advantage in this case the company must have a good name or image so that consumers are interested in the products offered and are willing to buy these products. Brand image in Ramadhan (2022) is a differentiator from competing products that can create the assumption of good quality. A better brand image attached to the product is able to generate high sales because it can attract consumer attention. When the company has been able to create a good image of the products it sells, this image will also be attached to the products offered.

The importance of a good image related to the products sold is able to make consumers think that buying or using these products can provide comfort and safety because consumers have trusted these products. This requires the company to have a competitive advantage. In this competitive advantage, the company must have a good brand image so that consumers buy the products being sold. When consumers are comfortable and trusting, consumers can consider this as an interest in the needs related to the products offered.

The Importance Of Lurik Image In The Fashion World

The level of importance of image can affect various aspects of the company. A good image is formed based on maximum service according to the company's wishes to create a positive image in the general public (Hariana, 2020). Therefore, to form a positive image, it is strongly influenced by the public. Creating a positive image requires openness to a company's communication. The process of creating a good image also requires a long period of time because the image is an assessment of the general public or the public which depends on information about the company from various sources, which is not a short time. Given this, companies must be able to manage available resources in order to win competition with similar companies. What can be done is to create a competitive advantage

CONCLUSION

This research generally aims to provide a strategy for the competitive advantage of a business in the perspective of competitive advantage, value added, value chain analysis, and sustainable competitive advantage. The final results of the analysis concluded that there are five resources and capabilities that are a source of Sustained Competitive Advantage for Lurik Asik. To excel, a business unit must be able to create its own uniqueness. In the fabric industry, which is dynamic due to the influence of rapid trend development, business units must have creative human resources in order to create novelty. The willingness of the business unit to innovate, manage stock and production processes efficiently, make the image of the business unit and the prestige of the

fabric in the fashion world will increase the potential of the business unit to excel and win the competition. The managerial implication of this research is that every competitive advantage business strategy in a business unit may not necessarily be applied to other business units due to the different conditions of each business unit. In developing a competitive advantage business strategy, each business unit actor needs to identify resources and capabilities in depth so that they can formulate or formulate the right strategy for their business.

There are limitations in this research, namely that this research only formulates business strategies in internal elements. Future research is expected to take into account more external elements in formulating appropriate strategies for business units using strategic tools and business units in different industrial fields so as to provide a broader picture of the business strategy of competitive advantage of business units in various industrial fields.

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