EFFORTS TO INCREASE THE NUMBER OF CUSTOMERS TRANSACTING AT THE KIMIA FARMA MALANG CLINICAL LABORATORY WITH THE BLUE OCEAN STRATEGY APPROACH

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Abstract-**PT. Kimia Farma Diagnostik is a subsidiary of PT. Chemical Pharmacies Pharmacies. KFD's business scope is clinical and clinical laboratories. This research is located in the clinical laboratory of Kimia Farma Malang. The revenue of the Malang pharma chemical laboratory in 2020 tends to be unstable and the number of customers has fallen. Based on the comparison of competitors, it can be seen that the competitor's facilities are superior with a larger number of outlets. Due to the limited facilities and human resources owned, the laboratory must have a strategy to be able to compete. This research uses a qualitative descriptive method in the form of a case study with direct observation, in-depth interviews, and document review. The interview results are translated into a SWOT analysis and then a four-step framework is created, namely eliminate, reduce, raise, and create. Then create a canvas strategy and then create an innovation strategy. After that, recommendations were prepared to increase the number of customers who transacted at the Malang pharma chemistry clinic laboratory. The results of this study show strategic innovations that are close to the Blue Ocean Strategy, namely the differentiation strategy of facilities and infrastructure, product development strategies (genomic laboratories, DNA test services and home services), Information Technology (IT) strategies, market extension strategies for laboratory quality to international standardization, market penetration strategies for customers (loyal customers and retain customers).**

Keywords: Blue Ocean Strategy, Strategic Innovation, Laboratory

1. Introduction

PT. Kimia Farma Diagnostik (KFD) has a business scope of clinical and clinical laboratories. A total of 182 laboratories in East Java, 5 of which belong to chemical pharma located in Surabaya, Bangkalan, Malang, Jember, and Madiun. This shows the development and fierce competition. The object of research is the KFD Malang laboratory. In 2020, laboratories experienced stagnant transactions and revenues, especially since their popularity was only 40% (Google Trends, 2021). Therefore, a comparison of competitors was carried out and it was found that in terms of competitor facilities, it was superior with a larger number of outlets. In order to face competition, the selection of a business strategy with a blue ocean approach is considered effective in improving

the company's performance. Therefore, this study focuses on increasing the number of customers transacting in the clinical laboratory of chemical pharmacies with a blue ocean strategy approach.

2. Literature Review

2.1 Previous Research

Research by Utami, *et al* (2018) on the development of tourist areas using the blue ocean strategy process with ERRC activities. Harianto & Lookman's (2021) research explores the Blue Ocean Strategy approach to utilizing long-term business strategies with the addition of strategy canvas, ERRC, and three pathways from the six paths framework. Research by Esti (2019) uses a qualitative descriptive design to determine the design of a strategic plan in increasing patient visits in the Clinical Laboratory.

2.2 Theoretical Foundations

2.2.1 Innovation Theory

According to Ostelwader & Pigner (2021) innovation is about creating value for companies, customers, and society. Innovation is a new product, service, idea, and perception of a person.

2.2.2 Blue Ocean Strategy

Blue Ocean Strategy is a strategy about designing and acquiring potential target markets by generating new demand.

2.2.3 Four-Step Framework

The four-step framework in the Blue Ocean strategy consists of Eliminate, *Reduce*, Raise, and Create.

2.2.4 Canvas Strategy

The canvas strategy is a framework of action as well as a diagnosis to build a Blue Ocean strategy that has two functions, first encapsulate the current situation in a familiar market space. The second is to understand what consumers get from competitive offers in the market.

2.2.5 SWOT Analysis

SWOT analysis according to Rangkuti (Wijayati, 2019) is the systematic identification of various factors to formulate a company strategy after collecting information.
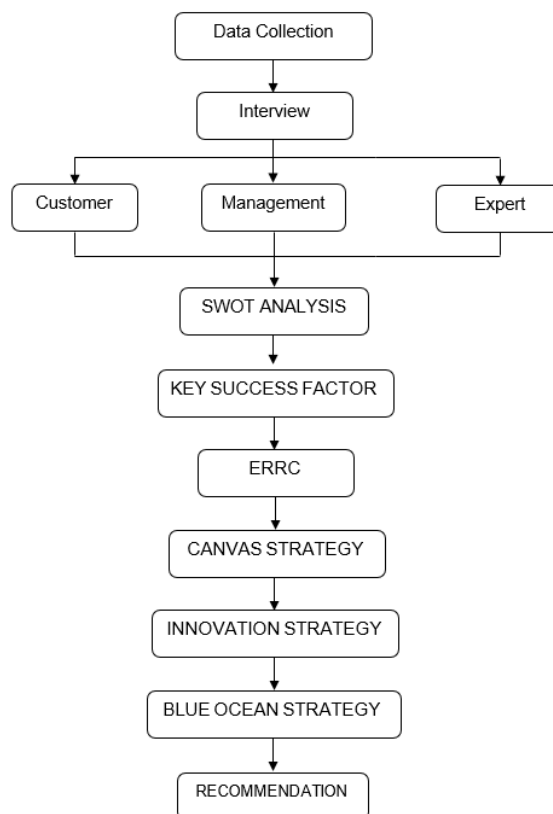
3. Research Framework

3.1 Analysis Models

Figure 3.1 Analysis Model

4. Research Methods

4.1 Types of Research, Samples, and Data Collection

The research method uses descriptive qualitative with case study. The sample using purposive sampling consisted of six subjects and informants, namely three customers of the Kimia Farma Malang laboratory, two PT management. Kimia Farma Diagnostika (Board of Directors or managers and implementing employees), and one expert in the field of laboratory or health services. Data collection using interviews, observations, and documentation. The analysis technique uses data collection, data reduction, display data, conclusion drawing/verification, validity, and reliability.

5. Analysis and Discussion

5.1 Informant Profile

Table 5.1 Informant Profiles

No	Status	Position	Interview date	Media	Code
1	Management	KFD Operational Director	January 7, 2022	Live interviews	W
2	PTT	Executive	December 31, 2021	Live interviews	LT
3	CUSTOMER	Admin Supervisor	January 14, 2022	Live interviews	NH
4	CUSTOMER	Self employed	December 22, 20212	Live interviews	KK
5	CUSTOMER	Housewives	December 22, 2021	Live interviews	EM

| 6 | Doctor | Ex Manager Quality Kimia Farma Diagnostika | Jan 6, 2022 | Live interviews | ND |

5.2 SWOT Analysis

Table 5.2 Total SWOT Weight Values

STRENGHT (KEKUATAN)			
Faktor Critical (1)	Bobot (2)	Skor (3)	Total Skor (4)
Brand dan perusahaan BUMN	0.15	4.0	0.6
Jumlah outlet yang tersebar diseluruh indonesia	0.15	4.0	0.6
Marketing optimal	0.10	3.0	0.3
Sarana, prasarana cukup bagus dan layanan cukup bagus	0.20	5.0	1.0
Harga standard mengikuti pemerintah	0.20	4.0	0.8
pemantapan mutu internal dan eksternal cukup baik	0.20	5.0	1.0
Total Skor Kekuatan	1.0		4.3

WEAKNESS (KELEMAHAN)			
Faktor Critical (1)	Bobot (2)	Skor (3)	Total Skor (4)
Pemain baru dalam bidang laboratorium dan fokus belum optimal	0.15	4.0	0.6
Sistem IT yang belum kuat (administrasi, operasional dan aplikasi)	0.20	4.0	0.8
SDM yang belum optimal dalam pelayanan dan pemeriksaan (dampaknya waktu janji hasil lama dan belum konsisten untuk mutu internal dan eksternal)	0.15	4.0	0.6
Beberapa titik kota belum ada layanan laboratorium (sarana prasana terbatas)	0.15	4.0	0.6
Program retain costumer dan costumer loyal belum ada	0.20	5.0	1.0
Produk laboratorium belum dikenal hanya produk covid-19	0.15	4.0	0.6
Total Skor Kelemahan	1.00		4.2

OPPORTUNITY (PELUANG)			
Faktor Critical (1)	Bobot (2)	Skor (3)	Total Skor (4)
Market share lebih ditingkatkan dengan membawa nama BUMN (brand lebih kuat)	0.15	5.0	0.8
Intensifikasi, unifikasi atau differensiasi dalam produk layanan, outlet, sarana dan prasarana, SDM, penambahan asuransi dan pengembangan outlet diarea yang belum ada dan lainnya	0.20	5.0	1.0
Regulasi wajib medical cekup baik perusahaan swasta asing dan domestik dalam negeri	0.15	4.0	0.6
Retain costumer dan program costumer loyal (termasuk promo baik online dan offline)	0.20	5.0	1.0
Inovasi dalam sistem IT (digitalisasi)	0.15	4.0	0.6
Akreditasi, standarisasi dan sertifikat internasional	0.15	4.0	0.6
Total Skor Peluang	1.00		4.6

THREAT (ANCAMAN)			
Faktor Critical (1)	Bobot (2)	Skor (3)	Total Skor (4)
Persaingan harga kurang sehat dan mulai turun era pandemic	0.15	4.0	0.6
Kompetitor baru bermunculan, yang memiliki sarana dan prasarana lebih bagus, lengkap dan canggih, SDM, dan value yang sama	0.20	4.0	0.8
Adanya home diagnostika yang bisa menggantikan pemeriksaan laboratorium	0.15	3.0	0.5
Masih tergantung dari rujukan dokter umum, dokter spesialis untuk costumer menggunakan asuransi atau mandiri	0.20	5.0	1.0
Digitalisasi yang update terus tiap tahun	0.15	5.0	0.8
Regulasi tentang akreditasi, standarisasi dan sertifikasi internasional	0.15	4.0	0.6
Total Skor Tantangan	1.00		4.2

Source: Data Processed by Researchers 2022

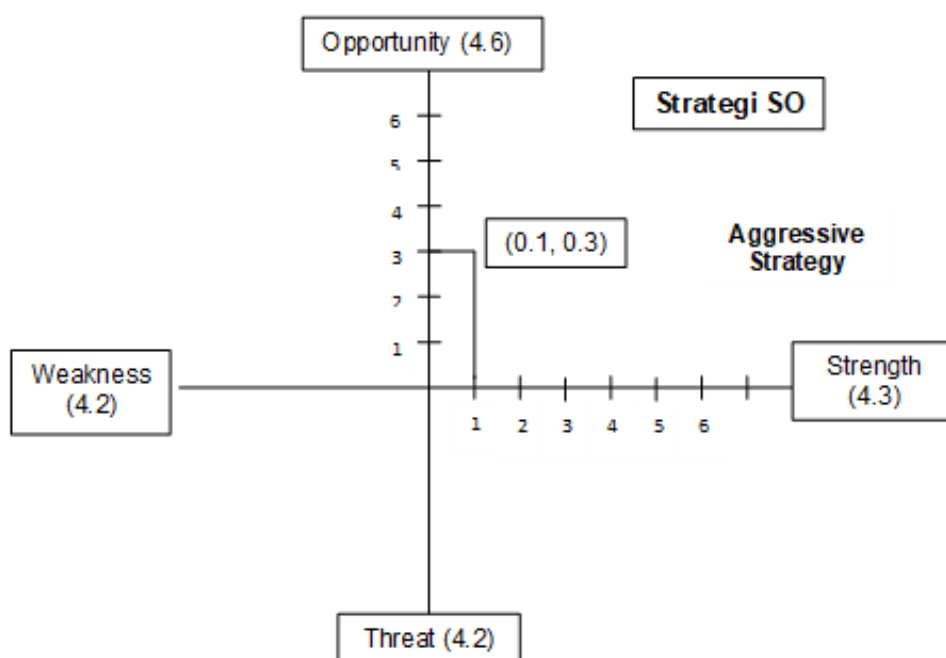Based on Table 5.2 the total weight values can be described as follows:

Figure 5.1 SWOT Quadrant
Source: Data Processed by Researchers 2022

The results show the X axis score by means of Strength (4.3)-Weakness (4.2) = S-W = 0.1. Score axis Y by way of Opportunity (4.6)-Threat (4.3) = O-T = 0.3. Matrix SWOT diagram (x, y) = (0.1, 0.3). Based on the results of the analysis, a summary of the SWOT weight values was obtained as follows:

Table 5.3 Summary of SWOT Weight Values

SO		WO		ST		WT	
S	O	W	O	S	T	W	T
4.3	4.6	4.2	4.6	4.3	4.2	4.2	4.2
8.9		8.8		8.5		8.4	

Source: 2022 Research Processed Data

The results show that the Kimia Farma Malang laboratory is in quadrant I. Quadrant I contains analysis that is useful for supporting aggressive strategies (Growth oriented strategy). The value of weakness and threat is small, so it has not had an effect on the strategy to be made.

5.3   Key Success Factors (KSF)

Table 5.4 Strength-Opportunity

STRENGHT (KEKUATAN)

Faktor Critical (1)	Bobot (2)	Skor (3)	Total Skor (4)
Brand dan perusahaan BUMN	0.15	4.0	0.6
Jumlah outlet yang tersebar diseluruh indonesia	0.15	4.0	0.6
Marketing optimal	0.10	3.0	0.3
Sarana, prasarana cukup bagus dan layanan cukup bagus	0.20	5.0	1.0
Harga standard mengikuti pemerintah	0.20	4.0	0.8
pemantapan mutu internal dan eksternal cukup baik	0.20	5.0	1.0
Total Skor Kekuatan	**1.0**		**4.3**

OPPORTUNITY (PELUANG)

Faktor Critical (1)	Bobot (2)	Skor (3)	Total Skor (4)
Market share lebih ditingkatkan dengan membawa nama BUMN (brand lebih kuat)	0.15	5.0	0.8
Intensifikasi, unifikasi atau differensiasi dalam produk layanan, outlet, sarana dan prasarana, SDM, penambahan asuransi dan pengembangan outlet diarea yang belum ada dan lainnya	0.20	5.0	1.0
Regulasi wajib *medical cekup* baik perusahaan swasta asing dan domestik dalam negeri	0.15	4.0	0.6
Retain costumer dan program costumer loyal (termasuk promo baik online dan offline)	0.20	5.0	1.0
Inovasi dalam sistem IT (digitalisasi)	0.15	4.0	0.6
Akreditasi, standarisasi dan sertifikat internasional	0.15	4.0	0.6
Total Skor Peluang	**1.00**		**4.6**

Source: Data Processed by Researchers 2022

The results show the key factors for laboratory success are: (1) Brand; (2) Number of outlets; (3) HR; (4) Facilities and infrastructure; (5) Quality accreditation and certification; (6) Intensification, unification and differentiation; (7) Regulations from the government and related agencies; (8) Capital; (9) Retain customers and loyal customers; (10) IT Systems; (11) Promotion/Marketing.

5.4   Four-Step Framework (ERRC)

Based on the results of the analysis, a four-step framework was obtained as follows:

Table 5.5 ERRC Laboratory of Chemistry Farma Malang

Eliminate-Abolish	Reduce-Reduce
1. Manual administration 2. Old facilities and infrastructure	1. Incompetent HR in services and checks 2. Price competition
Raise-Upgrade	**Create-Create**
1. Brand 2. Number of outlets 3. Qualified human resources 4. Facilities, infrastructure, services 5. Internal and external quality 6. Marketing	1. Unification and differentiation of outlets, products and services 2. Retain customers and loyal customers 3. Integrated IT systems and IT that records tool-to-system results and enterprise MCU results 4. International Certificates

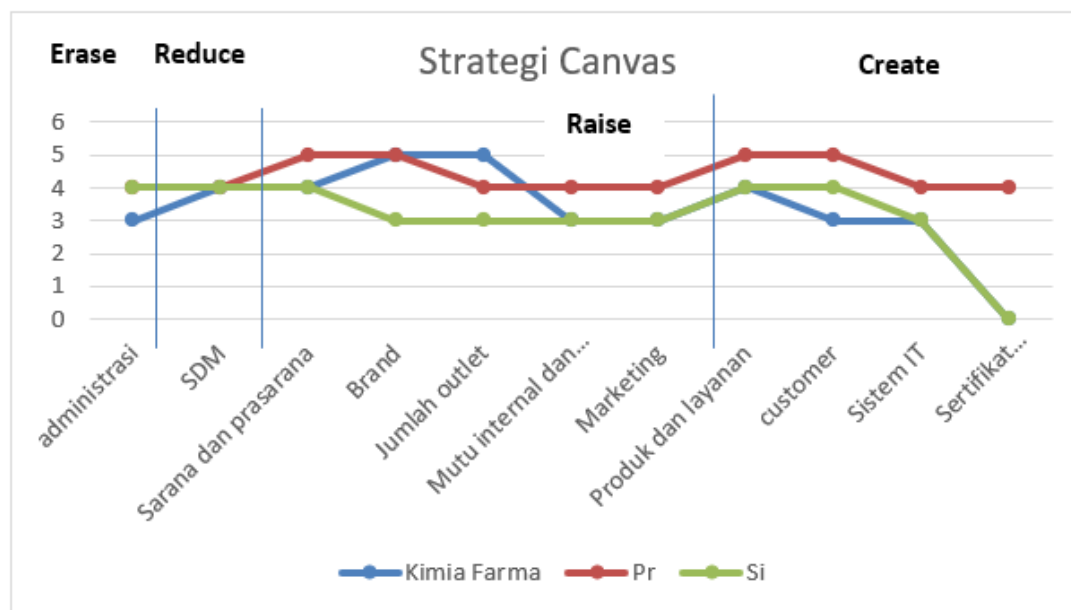Source: Data Processed by Researchers 2022

5.5   Canvas Strategy

Figure 5.2 Canvas Strategy of Farma Malang Chemical Laboratory
Source: Data Processed by Researchers 2022

Based on the curve, the value of the company is not yet coherent. This means that the company's strategy is less focused and there are the same value factors as competitors, thus indicating that the company is still stuck in the red ocean.

5.6   Innovation Strategy

The formulation of a blue ocean strategy is to create an innovation of value by improving and creating factors. Based on the canvas strategy, the innovations that will be carried out are as follows:

1. Improving Factors: (a) Differentiation strategies for facilities and infrastructure; (b) Market penetration strategy in terms of SDM; (c) Market penetration strategy in terms of Quality control; (d) Brand improvement strategy.

2. Creating Factors: (a) Product development strategies; (b) Information Technology (IT) Strategy; (c) Laboratory quality market extension strategy; (d) Market penetration strategy in terms of customers.

5.7   Blue Ocean Strategy

Based on the innovation strategy, it can be concluded that the strategy innovations that are close to the blue ocean strategy are: (1) The strategy of differentiation of facilities and infrastructure; (2) Product development strategy; (3) Information Technology (IT) Strategy; (4) Laboratory quality market extension strategy; (5) Market penetration strategy in terms of customers.

5.8   Recommendations

Based on the blue ocean strategy, the following strategies can be recommended:

1. Strategies for differentiating facilities and infrastructure include a comfortable waiting room, the addition of children's playroom facilities, the provision of drinking water, and a VIP waiting room.

2. Product development strategies on laboratory test products are genomic laboratory tests, DNA test services (Deoxyrinonucleic Acid) and home service services. The products developed are not only from

the product side (genomic tests and DNA tests) but there are from the side of adding types of services (home service).

3. Information Technology (IT) strategy by interfacing laboratory equipment with laboratory operational systems so as to speed up the results of the examination and the results are directly emailed to patients.

4. Laboratory quality extension market strategy by making laboratory quality become international standardization.

5. The market penetration strategy in terms of customers is carried out by creating a valid patient data base so that they can retain customers, giving gifts on happy days, making special promos for loyal customers, serving customers personally (saying the patient's name), after sales service (saying thank you by wa or email for conducting an examination in the laboratory).

5.9 Managerial Implications

Table 5.6 Laboratory Managerial Implications

No	Sebelum Penelitian	Setelah Penelitian	Modal yang dibutuhkan
1	Sarana dan prasarana terbatas memerlukan perbaikan	Renovasi sarana dan prasarana, sehingga differensiasi outlet tercapai sesuai dengan target segmentasi outlet.	Minimal Rp. 30.000.000
2	Produk dan layanan terbatas	Pengembangan produk dan layanan (tes genomic, tes DNA)	Minimal Rp. 400.000.000
3	Belum ada interfacing alat dengan sistem	Pengembangan sistem IT untuk *interfacing* alat dengan sistem	Minimal Rp. 100.000.000
4	Laboratorium standarisasi nasional	Persiapan laboratorium menjadi standart internasional	Minimal Rp. 200.000.000
5	SDM belum kompeten dan belum siap untuk meretain pelanggan dan menciptakan pelanggan yang loyal	Mempersiapkan sumber daya manusia (SDM) untuk me*retain* pelanggan dan pelanggan loyal dengan pelatihan internal dan eksternal secara rutin, membuat SOP (Standar Operasional Pelayanan) dan melakukan audit internal sehingga tetap konsisten menjalankan SOP.	Minimal Rp. 5.000.000

Data source: Processed Researcher, 2022

6. Conclusions and Suggestions

6.1 Conclusion

1. Key Success Factor (KSF) as the basis of the Blue Ocean Strategy can be applied in the clinical laboratory of pharma chemistry Malang, there are eleven key success factors, namely brand; number of outlets; human resources; facilities and infrastructure; quality service in quality (accreditation and quality certificates); intensification, unification and differentiation; regulations from the government and related agencies; capital; retain loyal customers and customers; IT systems; promotion/marketing.

2. ERRC as the basis for making the Blue Ocean Strategy that can be applied in the clinical laboratory of chemical pharma Malang as follows:

    a. Eliminate: administration that is still manual, old facilities and infrastructure.

    b. Reduce: Incompetent human resources in service and inspection as well as price competition

    c. Raise: brand, number of outlets, qualified human resources, facilities, infrastructure, services, internal and external quality, marketing.

    d. Create: unification and differentiation of outlets, products and services; retain customers and loyal customers; integrated IT system.

3. Strategy Canvas as the basis for making the Blue Ocean Strategy that can be applied in the Malang pharma chemistry clinical laboratory, there are eleven assessment factors, namely administration, human resources, facilities and infrastructure, brand, number of outlets, internal and external quality, marketing, products and services, customers, IT systems and international certificates. The explanation is that the company's value curve is not yet coherent, which shows the company's strategy is not focused. In addition, there are factors whose value is the same as competitors so that it shows that it is trapped in the red ocean.

4. The innovation strategy that can be applied in the chemical clinical laboratory of Farma Malang uses the blue ocean strategy approach as follows:

    A. Innovation improves factors, namely:

        a. Strategies for differentiating facilities and infrastructure include a comfortable waiting room, the addition of children's playroom facilities, the provision of drinking water, and a VIP waiting room.

        b. The product development strategy is to make laboratory test products with genomic laboratory tests, DNA test services (Deoxyrinonucleic Acid) and home service services.

        c. Information Technology (IT) strategy how to interfacing laboratory equipment with laboratory operational systems so as to speed up the results of the examination and the results are directly emailed to the patient.

        d. Laboratory quality extension market strategy by making laboratory quality become international standardization.

        e. Market penetration strategy by creating a valid patient data base so that they can retain customers, giving gifts on happy days, making special promos for loyal customers, serving customers personally (saying the patient's name), after sales service (saying thank you by WA or email for conducting an examination in the laboratory).

6.2 Suggestion

6.2.1 Practical Advice

1. The Malang pharma chemistry clinical laboratory needs to improve weaknesses and make strategies in accordance with the recommended innovations to overcome existing threats.

2. The Malang pharma chemistry clinical laboratory needs to pay attention to eleven key success factors in order to survive in the laboratory industry.

6.2.2 Suggestions for Further Research

1. It is necessary to conduct further research with the innovations that have been carried out to have an impact in increasing the number of customers transacting significantly.

2. It is necessary to conduct further research with innovations that have been carried out to survive in the field of laboratory industry.

3. It is necessary to conduct further research with other research methods.

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