DETERMINING SOP IN BILLING SYSTEM AND RECEIVABLE PAYMENT BASED ON CUSTOMER RELATIONSHIP MANAGEMENT STRATEGY WITH QSPM METHOD FOR UD SEMANGAT BARU

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ABSTRACT

Account receivable is a current asset that valuable in the company. Because of that, administration procedure needs to be done rightly so that it can be accountable. The problem is occurring due to no Standard Operating Procedure applied in the administration system at UD. Semangat Baru. That cause the account receivable system in the company is running ineffective which leads to lots of account receivable that has not paid yet even after the due date. The problem proposed as how to determine SOP in the billing system and receivable payment based on Customer Relationship Management Strategy with QSPM method at UD. Semangat Baru. Research method that applied is descriptive qualitative from the result of interview and data that needed. This research approached with the purpose to show the fact and give result that accountable. The sampling method used is non probabilistic with the purposive technique. This method is used because the population of the informant is limited to the purpose of this research. The result of this analysis is CRM that can be applied the best at UD. Semangat Baru is CRM Collaboration. This is showed by the result of the Quantitative Strategic Planning that the Total Attractiveness score of the CRM collaboration is 4,533 which more than the CRM analytics that get the Total Attractiveness score only 4,233.
Keywords : Standard Operational Procedures, Customer Relationship Management, SWOT, Internal Factor Evaluation, External Factor Evaluation, Quantitative Strategic Planning Management.

INTRODUCTION

Distributor is an individual or a company that distributes products (Shodiqin 2016). Distributor distributes their products start from small market to end user. Producer need distributor to help distribute their product that has been produced. Producer can save their sales cost because they do not need to deliver their products directly to consumer / end user. In this era, there are a lot of aggressive competitors that can run the business better which stated that the distributor need to improve their business performance to be able to survive in this industry. Distributor able to improve their business performance by having a good management operation and the condition

that shows a company has a good management operation is a good Standard Operation Procedures (SOP) must be applied. It because the benefit of SOP is as a system or information that makes employee do their job according the rules that applied in the company and also will give the equal result if it is being done by the other employee. Based on Amere (2012) and Akyar (2012), a good SOP is not only listing what must being done as the activity of their work but also stated the employee qualification standard that required to do the job.

UD Semangat Baru is a trading enterprise that distribute house ware product to outer island in Indonesia. UD Semangat Baru sell imported and local goods and the house ware that made form plastic, aluminum, stainless, glass, porcelain, melamine, and many others. UD Semangat Baru has over 100 suppliers of producer from high, middle, and low producer. Moreover, UD Semangat Baru also starting to develop their house ware own brand since the last 4 years. Designing SOP is important for UD Semangat Baru because since 20 years they started the business, there is no control over the internal management in the company.

Similar thing with Akyar (2012) point of view that stated, SOP in companies nowadays are run not from standardized system management but only from habit. The habits which happened in the company that already run in a long run become the culture of the company that usually hard to change. However, changes still needed in order to get SOP that could become grading line to value the effectiveness and efficiency of the company performance.

At the moment, UD Semangat Baru does not have written SOP. The employee only doing things that they usually done and there is no control to minimize the fraud that may occurs. In order to minimize the opportunity of fraud, this research is focusing to determine SOP in billing system and receivable payment which is part of administrative activity which has the highest risk of fraud because it is related with money and cash. SOP needed in UD Semangat Baru as a guide to perform internal controls on the company as to reduce the risk of fraud and congestion receivables that can harm the company.
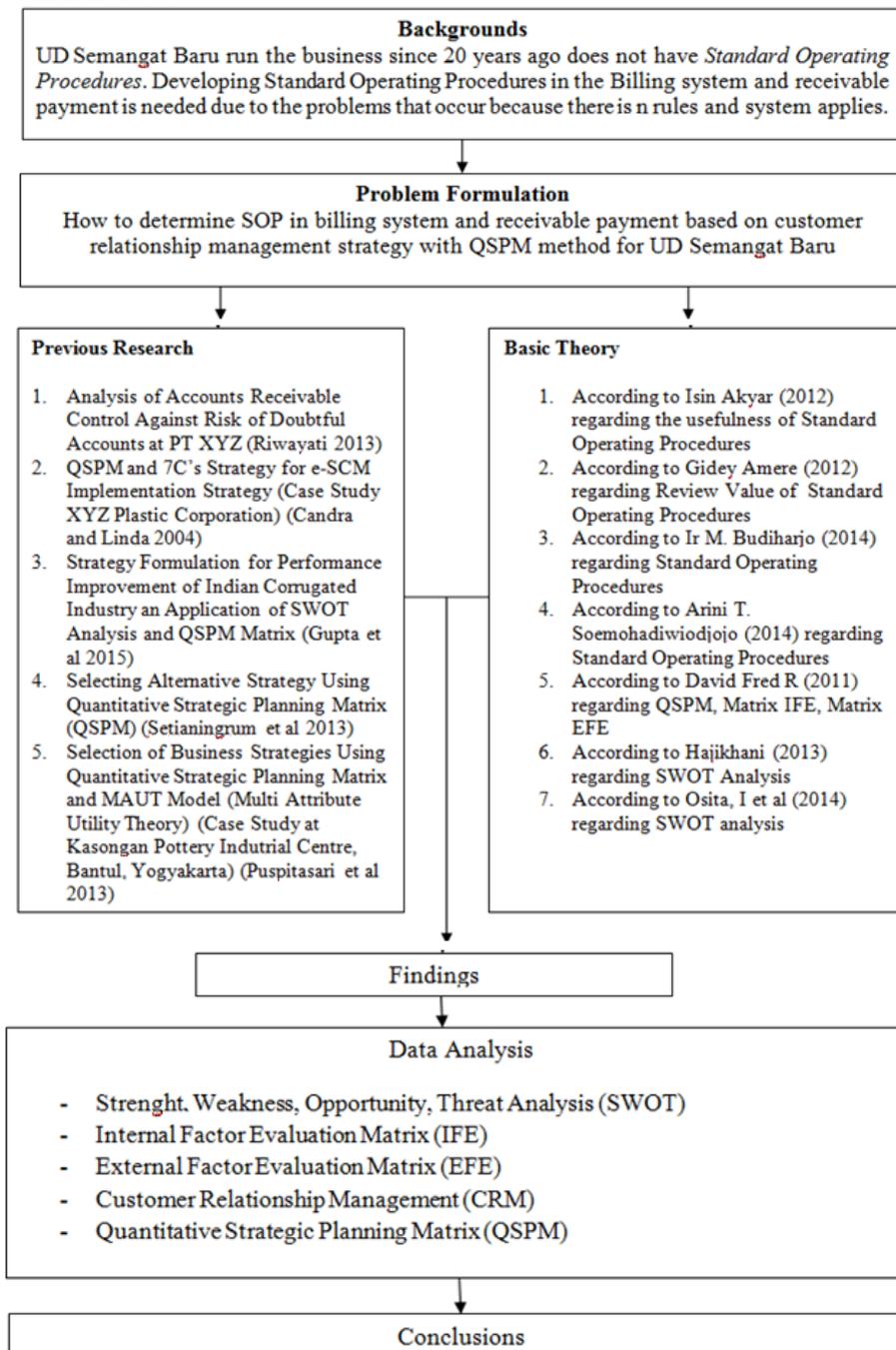
Account receivable is current asset that material when reviewed from the entire corporate wealth (Riwayati 2013). Therefore, proper administrative procedures must exist to be accountable in accordance with the actual conditions.

In this research, SOP determine based on Customer Relationship Management (CRM). CRM need to be applied because there are problems that occur in the process of receivable collection. CRM also have an important role in today's competitive business environment. This is because CRM will bring the ability to build, manage, and strengthen good relationship with potential customer and current customer as a strategy in managing business relationships.

CRM is divided into 4 CRM strategies that each have key data that must be obtained as a reference analysis. The four existing CRM strategies are strategic CRM, operational CRM, analytical CRM, and collaboration CRM. Moreover, not all CRM type can be applied because each type has their own purpose and function. Between 4 CRM strategies, it will be discussed, sorted, and selected with the owner of UD Semangat Baru whichever CRM that is suitable for UD Semangat Baru according to the purpose and function of CRM strategies.

The evaluation process in this research also using QSPM method to evaluate and compare the most suitable strategy to UD Semangat Baru's billing system and receivable payment. QSPM is the most suitable method for evaluation process in choosing strategy rather than SWOT, SPACE, and BCG. This is because QSPM is a high level analysis tool for evaluating possible strategies by comparing alternative actions. There are several steps to complete QSPM method such as SWOT analysis, internal factors and external factors. These steps indicate that by using QSPM method, SWOT and SPACE method also being done here. The use of QSPM method requires intuitive judgment and good assumption. Weighting requires subjective decisions but the process must use objective information. Therefore the discussion between researcher as a strategic planner and owners of the company as a person who is very understanding about the company need to be done in order to the formulation of the right strategies.

RESEARCH DESIGN

Backgrounds
UD Semangat Baru run the business since 20 years ago does not have *Standard Operating Procedures*. Developing Standard Operating Procedures in the Billing system and receivable payment is needed due to the problems that occur because there is n rules and system applies.

Problem Formulation
How to determine SOP in billing system and receivable payment based on customer relationship management strategy with QSPM method for UD Semangat Baru

Previous Research

1. Analysis of Accounts Receivable Control Against Risk of Doubtful Accounts at PT XYZ (Riwayati 2013)
2. QSPM and 7C's Strategy for e-SCM Implementation Strategy (Case Study XYZ Plastic Corporation) (Candra and Linda 2004)
3. Strategy Formulation for Performance Improvement of Indian Corrugated Industry an Application of SWOT Analysis and QSPM Matrix (Gupta et al 2015)
4. Selecting Alternative Strategy Using Quantitative Strategic Planning Matrix (QSPM) (Setianingrum et al 2013)
5. Selection of Business Strategies Using Quantitative Strategic Planning Matrix and MAUT Model (Multi Attribute Utility Theory) (Case Study at Kasongan Pottery Indutrial Centre, Bantul, Yogyakarta) (Puspitasari et al 2013)

Basic Theory

1. According to Isin Akyar (2012) regarding the usefulness of Standard Operating Procedures
2. According to Gidey Amere (2012) regarding Review Value of Standard Operating Procedures
3. According to Ir M. Budiharjo (2014) regarding Standard Operating Procedures
4. According to Arini T. Soemohadiwiodjojo (2014) regarding Standard Operating Procedures
5. According to David Fred R (2011) regarding QSPM, Matrix IFE, Matrix EFE
6. According to Hajikhani (2013) regarding SWOT Analysis
7. According to Osita, I et al (2014) regarding SWOT analysis

Findings

Data Analysis

- Strenght. Weakness, Opportunity, Threat Analysis (SWOT)
- Internal Factor Evaluation Matrix (IFE)
- External Factor Evaluation Matrix (EFE)
- Customer Relationship Management (CRM)
- Quantitative Strategic Planning Matrix (QSPM)

Conclusions

RESEARCH METHODS

This research is using descriptive qualitative research. Qualitative research is a study that sees social reality as something that is complex, dynamic, holistic and meaningful (postpositive paradigm). The use of this method can make the data obtained becomes more complete, deeper, and credible in achieving research objectives. Moreover, Descriptive research is a study conducted to find out independent variables that produce descriptive data in the form of written or spoken and observable behavior of the subject itself (Djaelani 2013). Thus it can be said that qualitative descriptive research is a method that describes the research procedures that use

descriptive data in the form of written and oral words from people who can observed. In qualitative descriptive research will be collected the result of interviews in the form of words that produce information and data required. This research approach is used with the aim to reveal facts and circumstances that occur and produce data as it is and can be justified. The benefit of using descriptive qualitative methods in this study is to get depth information about the current state of UD Semangat Baru and to get an overview of the steps of making the SOP as well as the correct billing system and receivable payment.

Data Collection

The interviews conducted in Surabaya are within the period of July to August 2016. Interviews were conducted by using digital voice recorded. There are 3 participants that involved in these interviews. First interview is from the owner of UD Semangat Baru who knows the ins and outs of his business. Second informant is from comparison company who is the owner of PT Sumber Untung and the third informant is from the project development manager of PT Jatim Petroleum Transport. The question asked to the informant from comparison company and the owner were different. Informant form the comparison company were asked about knowledge and thought about SOP and what they think about CRM in receivable payment process. However, the owner of UD Semangat Baru was asked about the strength, weakness, opportunities, and threat about her business. Moreover, discussion is conducted with the owner of UD Semangat Baru to do weighting for IFE and EFE so that the researcher able to process the data and put all the identification from IFE and EFE to the QSPM.

Data analysis

In this research there are 6 steps to do to be able to analyze the data before making the SOP. After the interviewed, firstly SWOT need to be done to be able to identify specific the internal factors and external factors from UD Semangat Baru business. Secondly, IFE (Internal Factor Evaluation) matrix needs to be done to weight the strengths and the weaknesses that exist in the company. Thirdly, EFE (External Factor Evaluation) Matrix needed to be able to identify and weight the opportunities and threats that exist in the company. Fourthly, CRM analysis needed to identify the suitable CRM that can be implemented in UD Semangat Baru. Then, QSPM needed as the analysis method that weighting the objective strategy decisions that suit in UD Semangat Baru. Moreover, analyze the integration of the result of the chosen CRM with the SOP in billing system and receivable payment in UD Semangat Baru.

RESULTS
SWOT

- **S**
  - Customer is an old player who has the big home appliance business
  - Good relationship with customer
  - Good customer service
  - Choice of payment
  - Location in Surabaya facilitates access to deliver goods to customer in all over Indonesia

- **W**
  - Lack of customer awareness to pay
  - Most customers are still conventional. They prefer to pay the bill with direct cheque or cash.
  - Limited trucking causes the shipment is not maximal
  - The risk of sinking vessel
  - Warehouse distance is quite far that casuse the transportation cost higher.

- **O**
  - Telephone billing
  - Rewards for timely payment
  - Online market
  - Email, whatsapp, line which facilitate document delivery
  - Third party as mediator. I,e Bank

- **T**
  - Price competition from producer that market their product without distributor
  - Price competition from other distributor
  - The chance of customer bankrupt
  - Global Economy / MEA that cause the competition of product price and product quality
  - Government regulation such as tax

IFE Matrix

Internal Factor Evaluation Matrix can be done after knowing the internal factors of the company. Weighting process, rating, and scoring are the result of discussion between the researcher and the owner of UD Semangat Baru. IFE calculated by comparing one factor with another. When considered more important, score 3 is given. When considered important, score 2 is given. Then, when it is considered less important, score 1 is given.

Internal Factor Evaluation	1	2	3	4	5	6	7	8	9	10	Total	Weight
Strenghts												
1 Customer is an old player big home appliance business	■	1	1	1	2	1	2	2	1	3	14	0,08
2 Good relationship with customer	3	■	2	2	3	2	2	2	2	2	20	0,11
3 Good customer service	3	2	■	2	3	2	2	2	3	3	22	0,12
4 Choice of payment	3	2	2	■	3	2	2	2	3	3	19	0,11
5 Location in facilitates access to deliver goods	2	1	1	1	■	1	2	3	2	2	15	0,08
Weaknesses												
1 Lack of customer awareness to pay	3	2	2	2	3	■	2	3	3	3	23	0,13
2 Most customers are still conventional	2	2	2	2	2	2	■	2	2	3	19	0,11
3 Limited trucking	2	2	2	2	1	1	2	■	1	2	15	0,08
4 The risk of sinking vessel	3	2	1	3	2	1	2	3	■	3	20	0,11
5 Warehouse distance is quite far	1	2	1	2	2	1	1	2	1	■	13	0,07
Total Score IFE											180	1,00

From the result of weight processing and rating, then the score can be calculated. The result of internal factor can be seen in the table below

Internal Factor Evaluation		Weight	Rate	Score
Strenghts				
1	Customer is an old player big home appliance business	0,08	3	0,233
2	Good relationship with customer	0,11	4	0,444
3	Good customer service	0,12	4	0,489
4	Choice of payment	0,11	3	0,317
5	Location in facilitates access to deliver goods	0,08	4	0,333
Weaknesses				
1	Lack of customer awareness to pay	0,13	1	0,128
2	Most customers are still conventional	0,11	2	0,211
3	Limited trucking	0,08	2	0,167
4	The risk of sinking vessel	0,11	1	0,111
5	Warehouse distance is quite far	0,07	2	0,144
Total Score IFE		**1,00**		**2,578**

To assess the level of influence on the billing ang payment system. The rating level is rated 1 to 4. The value 1 indicate major weakness, value 2 indicate minor weakness, value 3 indicate minor strenght, and value 4 indicate major strenght. The score of IFE matrix on UD Semangat Baru is 2,578 which indicate that UD Semangat Baru is strong enough internally. However, this value indicate that UD Semangat Baru need to improve to develop internal strategic position.

EFE Matrix

External Factor Evaluation Matrix can be done after knowing the external factors of the company. Weighting process, rating, and scoring are the result of discussion between the researcher and the owner of UD Semangat Baru. EFE calculated by comparing one factor with another. When considered more important, score 3 is given. When considered important, score 2 is given. Then, when it is considered less important, score 1 is given.

External Factor Evaluation		1	2	3	4	5	6	7	8	9	10	Total	Weight
Opportunities													
1	Telephone billing	■	3	2	2	2	2	2	2	2	2	19	0,11
2	Rewards for timely payment	1	■	2	2	2	1	1	1	1	1	12	0,07
3	Online market	2	2	■	2	3	2	2	2	2	1	18	0,10
4	Email, whatsapp, line which facilitate document delivery	2	2	2	■	2	1	1	1	1	1	13	0,07
5	Third party as mediator. I,e Bank	2	2	1	2	■	1	1	2	2	1	14	0,08
Threats													
1	Price competition from producer	2	3	2	3	3	■	2	2	2	2	21	0,12
2	Price competition from other distributor	2	3	2	3	3	2	■	2	2	2	21	0,12
3	The chance of customer bankrupt	2	3	2	3	2	2	2	■	2	2	20	0,11
4	Global Economy / MEA	2	3	2	3	2	2	2	2	■	2	20	0,11
5	Government regulation	2	3	3	3	3	2	2	2	2	■	22	0,12
Total Score EFE												180	1,00

From the result of weight processing and rating, then the score can be calculated. The result of internal factor can be seen in the table below

External Factor Evaluation		Weight	Rate	Score
Opportunities				
1	Telephone billing	0,11	3	0,317
2	Rewards for timely payment	0,07	2	0,133
3	Online market	0,10	2	0,200
4	Email, whatsapp, line which facilitate document delivery	0,07	3	0,217
5	Third party as mediator. I,e Bank	0,08	2	0,156
Threats				
1	Price competition from producer	0,12	3	0,350
2	Price competition from other distributor	0,12	3	0,350
3	The chance of customer bankrupt	0,11	3	0,333
4	Global Economy / MEA	0,11	2	0,222
5	Government regulation	0,12	2	0,244
Total Score EFE		**1,00**		**2.522**

To assess the level of influence on the billing ang payment system. The rating level is rated 1 to 4. The value 1 indicate firm response to extrenal factor is superior, value 2 indicate firm respone

is above the average, value 3 indicate the avegare respons, value 4 indicate bad response. The score of EFE matrix on UD Semangat Baru is 2,522 which indicate that UD Semangat Baru has a good response to the opportunities and threats that exist. Same as internal strategy, the position of extrenal strategy also need to be improved.

Customer Relationship Management

Researcher and informan was discussing about the 4 types of CRM and taking consideration about which CRM that suitable to be applied to UD Semangat Baru. Based on the funtion and purpose of each CRM, researcher and informant decided that CRM analytical and CRM collaboration is suit best in UD Semangat Baru.

QSPM

QSPM matrix analysis is used to select the strategy to be used based on alternatives of existing strategies. Alternative selection based on the views of researcher and the results of interviews and discussion with the owner of UD Semangat Baru. Alternative strategies selected, grouped into 2 group of analytical CRM dan CRM collaboration.

KEY FACTORS		Weight	ALTERNATIVES STRATEGY			
			CRM ANALITICAL		CRM COLLABORATION	
			AS	TAS	AS	TAS
	Strenghts					
1	Customer is an old player big home appliance business	0,08	3	0,233	3	0,233
2	Good relationship with customer	0,11	3	0,333	3	0,333
3	Good customer service	0,12	3	0,367	3	0,367
4	Choice of payment	0,11	3	0,317	2	0,211
5	Location in facilitates access to deliver goods	0,08	2	0,167	2	0,167
	Weaknesses					
1	Lack of customer awareness to pay	0,13	3	0,383	3	0,383
2	Most customers are still conventional	0,11	2	0,211	3	0,317
3	Limited trucking	0,08	2	0,167	2	0,167
4	The risk of sinking vessel	0,11	1	0,111	1	0,111
5	Warehouse distance is quite far	0,07	1	0,072	2	0,144
	Opportunities					
1	Telephone billing	0,11	2	0,211	3	0,317
2	Rewards for timely payment	0,07	1	0,067	2	0,133
3	Online market	0,10	1	0,1	2	0,2
4	Email, whatsapp, line which facilitate document delivery	0,07	1	0,072	3	0,217
5	Third party as mediator. I,e Bank	0,08	2	0,156	1	0,078
	Threats					
1	Price competition from producer	0,12	2	0,233	2	0,233
2	Price competition from other distributor	0,12	2	0,233	2	0,233
3	The chance of customer bankrupt	0,11	3	0,333	2	0,222
4	Global Economy / MEA	0,11	2	0,222	2	0,222
5	Government regulation	0,12	2	0,244	2	0,244
				4,233		4,533

Internal and external factors that give effect and attractiveness are given score 1 (not interesting) to score 4 (very interesting). Information data in QSPM is directly from IFE and EFE matrix. QSPM analysis result conducted through discussion between researcher and owner of UD Semangat Baru by determining the value of Attrectiveness Scores (AS) is shown in table below. It can be seen that CRM collaboration has total attractiveness score 4,533 and CRM analytical with the amount of total attractiveness score 4,233. From this data it can be concluded that CRM collaboration is more attractive to internal factors and external factors in UD Semangat Baru compared to analytical CRM.

Criterias CRM collabotaion based on Buttle (2015) are

* Service application such as emails, discussion forums, e-communities, and else to facilitate interaction between customers and companies.

- Facilitates the interaction with customers through all channel such as letters, faxes, phone, web, and email.
- Intergrate the data so that the company can serve and facilitate the customer better.

The most important is 2 key criteria that need to be applied in CRM collaboration are customer get ease in accessing information about the company and maintain customer by listening and trying to meet the customers needs and wants.

CONCLUSION

This reseach explains the process in determination Standard Operating Procedure of billing system and receivable payment based on CRM with QSPM method at UD Semangat Baru. First, the researcher must analyze the current state of the company. In this study, the condition of the company is assessed through a SWOT analysis to determine the strenght, weaknesses, oportunities, and threats that occur in the company. Then, IFE and EFE matrix is done to get the result of weight assessment to know the position to internal and external factor of company. After that, the discussion to analyse the function of each CRM that suit to be applied in UD Semangat Baru. Lastly, QSPM need to be done by giving attractiveness value on every aspect of IFE matrix and EFE matrix multipied by attractiveness value rating to get total attractiveness value. The sum of all total attractiveness value between the chosen CRM strategy determines the most attractive strategy to implement in UD Semangat Baru.

From the process of determining CRM strategy, chosen CRM element need to be applied in billing and payment system. Decision making process has been done in this research. The decision making needs to pay attention to the good and the bad from internal and external aspect through Quantitavive Strategic Planning Matrix. With the decision making process that has been done, the value of learning to desicion making is to consider the good and the bad so that the decision can be a wise decision. Moreover, anticipate strategy can be prepared due to the weakness and threat could be harm the company.

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