

CHAPTER V

DISCUSSION

5.1 Amoeba Management System

According to the analysis using amoeba management approach, it is found that the organizational structure in PT. Expertindo can be divided into 5 amoebas based on the profit and non-profit making organization. The profit organization include sales and operational, while the non-profit includes research and development, finance, and IT. Every amoeba is equipped with a unique accounting system. However, on this research only the profit-making department accounting system is constructed.

The accounting system in each amoeba can display the department's or amoeba's profit per hour which indicates the performance or productivity of the department. The amoeba accounting system for the sales department and operational department are constructed and after inputting, the data on profit per hour for both amoebas are identified. The result shows that the average profit per hour from 2016 to 2018 in the sales department is 134.886 IDR/hour and the operational department is 356.538 IDR/hour. Subsequently, an analysis on the performance of the department can be done by using the data. The profit per hour for both departments show an unstable pattern from time to time where at the beginning of the year the profit per hour is low and at the end of the year high.

5.2 Amoeba target

In conducting productivity improvement, this research is limited to only to the sales department. The profit per hour of the sales department is analyzed further to assess the performance by comparing the actual data to the target. The target is made based on the estimation of the achievement from the previous year. The profit per hour of the sales department data for three-year span shows a repetitive pattern thus a trend seasonal forecast is done to set the target. The target is obtained by using the data from the first two years to forecast the third year. Thus, compare the targeted data for the third year with the actual data of the third year. The result shows that the profit per hour of the sales department did not reach the target with a 50.81% off target. The trend seasonal forecast

method is used to determine the target. It is a good method because it shows gradual improvement from year to year which demands the employees to perform better continuously. In addition, if the target can be achieved thus the company's turnover can increase. Overall, this method is better than conventional intuition from the management. However, in order to achieve the target, it may require many resources and trade off that the company must do.

5.3 Productivity improvement area

In order to improve the sales department profit per hour, there are two alternative namely increase revenue or decrease cost expenditures. The result shows that by increasing revenue will give greater impact than reducing cost. In increasing the revenue, the total amount of product sold (training) shows the biggest impact toward the profit per hour value. Marketing mix is a strategy that can give advantage to company to become more structured and identify the weak spots from the marketing perspective. The marketing mix strategy is composed of seven aspects known as 7Ps (product, price, place, promotion, place, process, physical evidence). After conducting the marketing mix identification, the result shows that the sales department has a weak spot in the promotion aspect particularly in the personal sales indicator. The approved prospect in 2018 is known to be 36.82% while the target from the management is 70%.

5.4 Fishbone Analysis

To understand the root causes of the indicator that didn't meet the target, a cause and effect diagram is used to analyze the factors that affects the issue to happen. In finding the causes that affects the low number of approved prospects, the fishbone diagram is exploited in 4 perspectives namely man, method, product, environment. The result of the fishbone analysis is discussed as follows:

a. Man

The causes from the man perspective showed that low sales call was caused by the low number of approved prospects. According to the interview with the management, the prospect received by the company should be responded immediately through email then sales call. It has been known that the marketing staff are not performing

the sales call as targeted. This is because of the lack of supervision. Therefore, lack of supervision is shown to be the root cause of the issue.

b. Method

The cause from the method perspective is the ineffective sales call. The ineffective sales call is caused by some factors including no specific database category, no SOP on sales call, and no tools to monitor clients' response. Currently, the sales call activity is done to clients through the database of clients based on year. This is considered as ineffective because if the training advertised, it is not in the field of work of the clients. Most of the time they are more likely to be not interested. In addition, there is no standard operating procedure for the sales call activity from the planning process to executing and there is no tool to monitor the clients' response once they have received the email. Therefore, sometimes the sales call become ineffective if the client hasn't open the email, because the marketing staff should follow up over again.

c. Product and Service

The causes from the product and service perspective include long respond and not appropriate syllabus. Long respond refers to a condition where the client requested an information of a new training and waited for a long duration to get respond. The marketing staffs are responsible for creating syllabus for new training as requested by clients. Some staff finds it difficult to do the task due to lack of training. Not appropriate syllabus normally is discovered after the training is conducted. This occurred when clients didn't receive the same topic as expected on the syllabus from the instructor. Before the training is conducted, the syllabus is sent to the client and instructor then both should confirm. Sometime the instructor didn't pay close attention and didn't follow the syllabus. This is due to the lack of supervision on the employees to contact the instructor to make sure that they have confirmed the syllabus.

d. Environment

The causes from the environment perspective is the client don't have any schedule for training. This is caused by external things that is out of the company's control. According to interview, most of the time the clients reject the offer because their company doesn't provide them budget to join the training.

5.5 Dominant causes analysis

To determine the root causes according to the fishbone analysis that needs to take the most attention to, Borda method is used to identify the most dominant causes that affects the issue of low approved prospect and rank the causes. The result of the Borda method is depicted in Figure 5.1,

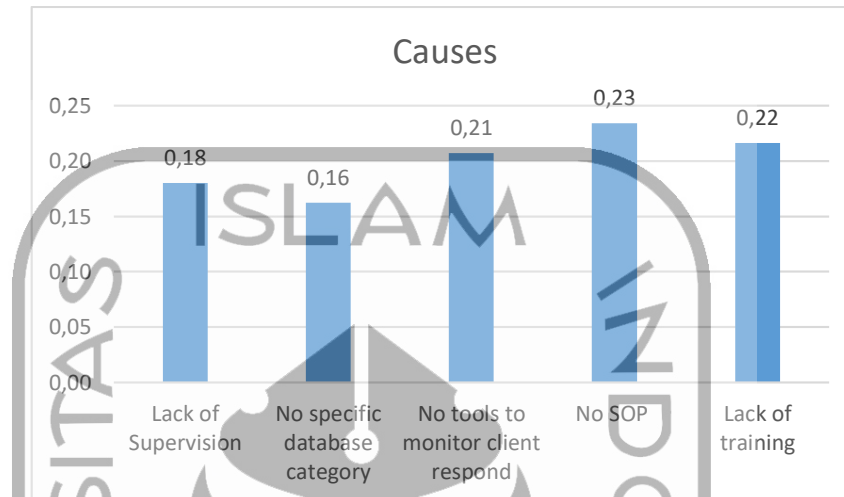


Figure 5.1 Dominant causes

The result shows that no SOP for sales call activity has the highest contribution toward the issue of low approved prospect with the value of 23%. Followed by Lack of training (22%), no tools to monitor client respond (21%), lack of supervision (18%), and no specific database category (16%).

5.6 Proposed Improvement

Based on the root causes from the fishbone diagram and ranked by its contribution toward the occurrence of the main issue, a proposed improvement is developed sorted by its priority. The result of the proposed improvement by increasing revenue is described as follows:

- a. A Standard operating procedure (SOP) for sales activity is constructed to guide and standardize the sales call activity for the sales department. The SOP is expected to help the sales staff to do the sales call activity and make the process more effective.
- b. A training need analysis should be conducted to identify the training needs of the employee. Subsequently, the training should be conducted based on the training needs analysis to improve the employee's skill in a particular area. However, in order

- to conduct training, it requires time and monetary resources in which the company should take into account.
- c. An online email marketing platform is presented to address the issue of not being able to monitor client respond. Mailchimp is used in this research to make email more interesting for advertising and being able to track email status. The company can use this platform for free for a specific amount of email and time in the trial version. However if the company wants to use it in a long term and unlock more features the company must pay to get a premium version.
 - d. A daily schedule is constructed to monitor the activity of the employee. The daily schedule is composed related to the job desk that the staff must do throughout the day including the sales call activity and confirming syllabus. It is expected that by following the schedule, the staff can fulfill the target of performing 10 sales call a day and reduce the potential for having miscommunication regarding the syllabus.
 - e. An entity relationship diagram of client database categorized based on the training topic preference is constructed. By having a database of client categorized based on the training topic preference is expected to make the sales call more effective since the training advertised is directed to the right client.

While the proposed improvement by reducing expenses can be done through Finding suppliers with lower cost, long term contract with supplier, evaluate media, and bundling marketing.

According to the data from management, the approved prospect percentage from sales call is 2.8%. If the total sales call is increased by 3.615 in a year therefore it can be estimated that 103.2857 additional approved prospect in a year or equal to 8.607 approved prospect per month. If the training price is IDR 5.900.000 therefore the estimated increase in revenue is IDR 50.782.143 in a year whereas the estimated revenue in the sales amoeba is 22.5% according to the sales commission which is IDR 11.425.982. The estimated profit is 71.32% from the revenue which is equal to IDR 8.149.297. subsequently add the estimated additional profit of IDR 8.149.297 to the average profit per month which is equal to IDR 85.322.065. The average profit per hour before adding the additional profit is IDR 133.979 and after adding the additional profit is IDR 140.403. Based on the calculation an increase of 10.56% is presented