

The Value Chain Holistic Model of Industrial *Ulos* Weaving Fabric

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Abstract - The research objective is to create a holistic model of value chains that can enhance tangible and intangible benefits for stakeholders in Ulos Woven Fabric Industry in Pematang Siantar City, Simalungun, Samosir, and North Tapanuli Regency. The specific target is to inventory all activities that occur in all parties involved in the series of them, like evaluate existing activities whether added value or not value added. Data collected were inventoried came from informants like weavers, entrepreneurs, sellers, consumers, and KOPERINDAG (Department of Cooperatives, Industry, and Trade), with observations and submitting open questions related to activities, problems, and solutions of them, like their advantages related to the ulos woven fabric industry in North Sumatera. SWOT analysis is used and the Ulos woven fabric industry has produced Strength-Opportunities strategies because External-Internal factors show score numbers > 2. The proposed holistic value chain model is to increase quality production capacity with strong capital by forming Producers Cooperative. It will provide quality and inexpensive yarn, new product development designs that are creative and skilled by weavers. The implementation of the strategy is accompanied by coaching and training from the Cooperative, Industry and Trade Department, like the role of Development Planning and Community Discussion (Musrenbang)

Keywords: Value Chain, Holistic, SWOT analysis, Ulos woven fabric

Introduction

In 2019 the tourism industry is projected to be the largest foreign exchange earner in Indonesia, which is US \$ 24 billion, surpassing the oil and gas sector, coal and palm oil, and the impact of foreign exchange that is directly felt by all levels of society, including tourist toba lake area (Simanjuntak; 2017), where souvenirs made from ulos cloth become souvenirs that can be obtained easily, which has the quality and competitiveness that can be brought by foreign tours. (Ratna and Naibaho 2017).

The ulos woven fabric industry has problems starting from the supply of non-quality goods, inefficient and ineffective production processes to the process of delivering products to customers, shows non-value-added activities. Some types of ulos fabric produced apparently did not provide adequate benefits for weavers, but were beneficial for collectors (Naibaho and Ratna: 2016) (Ratna and Naibaho: 2014). Holistically, we hope that all actors involved in the ulos woven cloth value chain can enjoy

tangible and intangible benefits. The role of the government is very much needed as a facilitator of yarn raw material providers, providers of human resource development services especially the art of designing colors and shapes of apparel, including also supporting weavers by doing good promotions about the results of ulos woven fabrics and apparel. (Ratna and Naibaho, 2014).

Increasing customer value means increasing realization for customers reducing customer sacrifice or both (Hansen and Mowen, 2000). Through satisfying customer needs, the company will obtain needful income to fulfill the needs of other stakeholders. The purpose of this study is to produce a holistic value chain model using Strength Weakness Opportunity Threats analysis that can be applied in the Ulos woven fabric industry in Pematang Siantar City; Samosir, Simalungun and North Tapanuli Regency which will benefit stakeholders involved in the Ulos woven fabric industry in increasing continuous benefits.

The series of activities in the Ulos woven fabric industry, it should show value-added activities that can provide tangible and intangible benefits to all stakeholders and continuously make changes that will create compete advantage, so that raises the question of what kind of "holistic value chain model" can be applied in the Ulos woven fabric industry in Simalungun Regency, Pematang Siantar City, Samosir Regency and North Tapanuli Regency which is able to increase tangible and intangible benefits for stakeholders ".

Literature Review

According to the Big Indonesian Dictionary, the meant of holistic is a way of approaching a problem or symptom by looking at the problem or symptom as a unified whole (*Big Dictionary of Indonesian*). The series of activities in procurement, production and marketing is expected to be holistic, as a whole the activities are interrelated and must be enjoyable in the whole series of activities. According to Chow et al. (2008) Supply Chain Management is a holistic and strategic approach in terms of demand, operations, purchasing and management of the logistics process, is a synchronization of activity activities related to product flow, both in an industry and between industries.

The series of activities in the procurement, production and marketing of ulos woven fabric is expected to be holistic (Indonesian Dictionary) how to approach a problem or symptom by looking at the problem or symptom as a whole unity. The value chain can be described as all activities needed to bring goods or services

from the design place, through various production phases (involving physical and input transformation from various service providers), send to end customers with customer value and recycling (full selling service) after using that can increase added value (added value) for customers and streamline costs incurred, it also has a competitive advantage (Porter, 1985: 64) (Shank and Govindarajan, 2000) (Pearce and Robinson, 2009) (Howieson et al, 2016). Value Chain analysis helps companies to identify company positions and analyze existing activities in the value chain and reduce or eliminate activities that do not create added value to products or services and tools used to create value for their customers to achieve a competitive advantage. Activity management through analysis of activities that increase customer value can be done with a strategy of reducing costs or through differential strategies. Activity analysis is a process of identifying, explaining, and evaluating various activities carried out by the company, showing, what activities are carried out; how many people did the activity; the time and resources needed to carry out various activities, and an assessment of the value of activities for the company, including suggestions for selecting and maintaining various activities that add value. Various activities can be classified as activities that are value-added or not value-added. There are activities that are value added due to regulations, and there are discretionary ones that simultaneously fulfill the requirements: activities that produce changes in conditions; changing conditions that cannot be achieved through previous activities; and activities that allow various other activities to be carried out (Hansen and Mowen, 2000). Continuous improvement aims to reduce costs, which according to Kaizen Costing can be done through elimination of activities, selection of activities, reduction of activity and pooling of activities (Hansen and Mowen, 2000). In process value analysis is possible to determine competitive advantages that increase customer value and process efficiency (Human Capital Journal, 2015).

According to Human Capital Journal (2015), in analyzing the value chain analysis can be divided into three parts, among others: analyzing activities (i.e. identifying what activities are carried out to be able to deliver products or services to customers), analyzing values (i.e. analyzing what will be carried out to provide the greatest added value for customers) and evaluate and plan further actions (i.e. consider whether it is valuable enough to make changes and then plan the next action).

“Satisfaction is a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations” (Kotler, 2003: 138). Customer satisfaction will be seen from the higher customer value. Customer value is the difference between what customers receive (realization for customers) and what customers submit (customer sacrifices). What the customer receives is all benefits, both tangible and intangible that the customer receives from the product purchased, including general features and specifically a product, service, quality, usage instructions, reputation, trademark and other factors that are considered important by customers. While

customer sacrifice includes the cost of purchasing the product, the time and effort spent to obtain and learn how to use the product, as well as post-purchase costs which are defined as the costs of using, maintaining, and stopping the use of the product. Increasing customer value means increasing realization for customers reducing customer sacrifice or both. (Hansen and Mowen, 2000) Through satisfying customer needs, the company will obtain much-needed income to meet the needs of other stakeholders. Customers will feel satisfied if they get products and services that meet their needs at the right time, and at prices that are considered suitable for customers. Satisfied customers will again buy products and services produced by the company. Satisfied customers will tell others about the benefits obtained from the products and services they consume or which are often known as words of mouth (*words of mouth*). Satisfied customers will cause revenue streams into the organization so that the organization is able to produce adequate financial returns. Consumer satisfaction is an important measure that is considered in the short term, which is also the main indicator of long-term performance (Anderson and Sullivan 1993; Hauser et al. 1994). In evaluating customer satisfaction, a number of questions will be submitted to customers, using a weighted index of customer satisfaction.

In facing the level of competition in international trade, the industry is required to be able and ready to have high competitiveness. High competitiveness is absolutely necessary for every industry to remain superior. Industrial competitiveness in achieving optimal international trade performance, one of which is influenced by an effective value chain (*valuechain*) (Nurimansyah, 2011). Porter (1985: 64) and Kaplinsky and Morris (2002) explaining effective value chains is the key to competitive advantage (*competitive advantage*) that can produce value added for an industry. The value chain can be described as the overall activities needed to carry goods or services from the design place, through various production phases (involving physical and input transformation from various service providers), sending to end customers and recycling after use. Furthermore, value chain analysis also functions to identify the stages of the value chain in which industries can increase value added for customers and streamline costs incurred. Industry is able to become more competitive through cost efficiency or increase in value added obtained through its value chain activities (Managifera, 2015).

Competitive Advantage, has forced business activities / companies to choose the right strategy, where the company is in a strategic position and can adapt to the changing environment. Companies must be able to make the best choices about what is the needs of consumers and how to meet the needs or demands of consumers at prices that are as low as possible in other words that can increase the value of customers (Ellitan, 2008). Strategy is an action or pattern that is carried out to achieve the goal, which not only includes the planned strategy but also includes the consistency of the company in making decisions (Mintzberg, 1978). The company's strategy implementation focuses on developing company competencies, namely knowledge and skills specifically

reflected in technology and production expertise. Company competencies show something that is not easy to be imitated by competitors and will provide competitive advantages (Schoemaker, 1992). The success or failure of a company depends on competitive advantage in delivering products or services at a low cost or providing unique benefits to buyers that are commensurate with the prices applied. The strategic price that the customer will receive is the price that is commensurate with the benefits delivered to the customer, who consider: 1. The lowest value activity in the value chain. 2. Total cost by using vertical linkages. 3. Margin that affects prices to customers by not forgetting the company's position in competition, and 4. Continuous improvement in terms of low cost and differentiation so that sustainable competitive advantage will be obtained.

Competitors who sometimes cut prices, and the price cuts are one form of attack that is difficult to resist because of the rapid impact on profitability, thus the company must be very careful in giving responses to price cuts. A company can have lots of strengths and weaknesses in dealing with its competitors, a business can increase sustainable competitive advantage when using one of the following two strategies: 1. The low cost strategy, and 2. The differentiation strategy (Porter, 1985) (Shank and Govindarajan, 2000).

Low Cost Strategy; If a company can achieve and maintain the overall cost of the board, the company will become an above-average company in the industry, provided that the company can control prices at or close to the industry average. With the same or lower price, compared to its competitors, the low cost position of the boarding house leader is realized into higher profits. However, boarding leaders cannot ignore the basis of differentiation. If the product is not felt to be comparable or acceptable to the buyer, the boarding house leader will be forced to cut prices far below the competitor's price to get a sale.

Differentiation Strategy; In a differentiation strategy, companies strive to be unique in their industry along several dimensions that are generally valued by buyers. Differentiation can be based on the product itself, the product delivery system used to sell it, the marketing approach and the broad range of other factors. The company differentiates itself from its competitors if the company can be unique in something considered important by the buyer. Differentiation is a thing that can be created anywhere in the existing value chain, so it is not in the narrow sense, for example in terms of product or marketing practice.

Research Methodology

This research and the data to be collected is qualitative, by conducting observations and open questions related to activities and values from a connected activities then analyzed and evaluated with a Strength Weaknesses Opportunity Threats analysis in depth for the sake of drawing conclusions in forming a holistic model of value chains from the ulos woven fabric industry in Simalungun Regency, Pematang Siantar City, Samosir and North

Tapanuli Regency. Mapping the activity value chain is the first result of this research, from identifying activities will provide information on strengths, weaknesses, opportunities and threats.

There are 3 (three) jobs in collecting this research data:

1. To identify the type of Ulos woven fabric, as well as the type yarn and the need for yarn including other materials used in accordance with the type of Ulos woven fabric.
2. To identify the chain of activity and the value chain activities in the Ulos woven fabric industry, both value-added activities and non-value-added activities
3. To identify the problems of ulos woven fabric business in the value chain of the activity of the ulos woven fabric industry, with the aim of seeing information on strengths, weaknesses, opportunities and threats of the ulos woven fabric industry business.

After the research data is collected qualitatively, then the data will be processed and analyzed descriptively, through:

1. Mapping the chain of activities and value chain of activity in the Ulos woven fabric industry.
2. To inventory information on strength, weaknesses, opportunities, and threats in the Ulos woven fabric industry.
3. Formulating policy recommendations on the regulation of raw materials distribution and distribution of finished goods which will produce efficiency, quality and time requirements.
4. Designing a value chain holistic model of industrial ulos weaving fabric based on the evaluation results using Strength, Weaknesses, Opportunities and Threats Analysis (SWOT analysis)

Mapping of activity chains and value chains for value-added or non-value-added activities is the first result of this research. From identification of activities will provide information on strengths, weaknesses, opportunities, and threats, then analyzed and evaluated as a basis for forming a value chain holistic model of the Ulos weaving fabric industry.

Data collection with primary surveys and primary institutions as well as analyzing data and information collected by making value chain mapping and SWOT analysis, will be a guideline in this study as described below. The number of samples in this study is using the snowball method. (Pemerintah Kabupaten Jepara, Bappeda, 2012).

**YARN SUPPLIERS -> PRODUCTION ->
DISTRIBUTORS -> CUSTOMER/ CONSUMER**

Fig. 1. The Historian Tilas Schemes the Value Chains of Ulos Woven Fabrics

Strengths, Weaknesses, Opportunities and Threats Analysis

The analysis in this study was carried out on external factors and internal factors that influenced the continuous improvement of the Ulos woven fabric industry. This analysis is expected to produce a plan strategy that considers Strengths, Weaknesses, Opportunities and Threats by identifying various factors systematically to formulate a development strategy.

This analysis is based on logic that can maximize strength and opportunity, but together can minimize weaknesses and threats. The strength, weaknesses, opportunities and threats analysis will compare external factors (opportunities and threats) with internal factors (strengths and weaknesses), the given an assessment (weight and rating). The following is a table that shows a matrix analysis of external factors.

Table 1. Matrix Analysis of External Factors

External Factors	Weight	Rating	Weight x Rating	Comment
1	2	3	4=2x3	5
Opportunities: Do write a description of the opportunities from the research location and can be used as an opportunities in developing the potential of the ulos woven fabric industry.	X	Y	XY	Note that contains reasons for choosing a factor
Threats: Do write a description of the threats that can affect the potential development of the ulos woven fabric industry.	X	Y	XY	Note that contains reasons for choosing a factor

Description of table 1: the weight of each factor in column 2 (two) is totally equal to one (1), starting from very important to very unimportant. The rating of each factor in column 3 (three) given a scale ranging from 4 (four) to 1 (one).

Table 2. Matrix Analysis of Internal Factors

Internal Factors	Grade	Rating	Grade x Rating	Commentary
1	2	3	4=2x3	5
Strengths: Do write a description that contains the potential from the research location, then will be developed in the Ulos woven fabric industry.	X	Y	XY	Note that contains reasons for choosing a factor
Weaknesses: Do write a description that contains the obstacles that cause the problems in the Ulos woven fabric industry development.	X	Y	XY	Note that contains reasons for choosing a factor

Description of table 2: The weight on each factors in column 2 are totally equal to 1, starting from very

important to very unimportant. Rating in column 3 for each factor by providing a scale ranging from 4 to 1 based on the influence of positive opportunity factors. After an assessment of external an internal factors is carried out, then a strategy is formulated from the result of the analysis of external an internal factors described in the table below.

Table 3. Matrix of Strengths, Weaknesses, Opportunities and Threats Strategy

EFAS IFAS	Strength (S)	Weakness (W)
Opportunities (O)	SO Strategy: Create strategies that use the strengths to take advantage of opportunities, if the total score of internal and external factors is greater than 2 (two)	WO Strategy: Creating strategies that minimize weaknesses to take advantage of opportunities, if the total score of external factors is greater than 2 (two), and the internal factors is smaller or equal to 2
Threats (T)	ST Strategy: Create strategies that use force to overcome threats, if the total score of internal factors is greater than 2 and the total score of external factors is smaller or equal to 2.	WT Strategy: Create strategies that minimize weaknesses and avoid threats, if the total score External factors and internal factors is smaller than 2

Note:

1. EFAS: External Factors Analysis Summary
2. IFAS: Internal Factors Analysis Summary

Based on table 3 about Matrix of SWOT strategy, will created the value chain holistic model of Ulos woven fabric industry based on research data.

Results and Analysis

Data collected based on observations and interviews with open and unstructured questions, from stakeholders in the ulos woven fabric industry in Pematang Siantar City, Simalungun, Samosir and North Tapanuli Regencies. The questions raised were related to any activities carried out in accordance with their respective roles in the Ulos woven fabric industry.

Respondent profile data are shown in Table 4 and data on the types of ulos woven fabric can be seen in Table 5 below:

Table 4. Informan Profile

No	Informant	Regency / City			
		Simalungun	Samosir	North Tapanuli	Pematang Siantar
1	Weaver	20	17	18	20
2	Entrepreneur	1	1	1	1
3	Seller	3	3	3	3
4	Consumer	4	4	4	4
5	Cooperative, Industry and Trade Department (KOPERINDAG)	1	1	1	1

Table 5. Types of Ulos Woven Fabric Produced

No	Name of Ulos Woven Fabric	Working Hours
1	Sarung and Selendang	4-6 hours
2	Panonga	2 hours
3	Sekata	3 hours
4	Es Es	2 hours
5	Small Tarutung	2 hours
6	Sibollang	1 hour 45 minutes
7	Small Sadum	6 hours
8	Songket	21-84 hours
9	Parompa Sadun	140-294 hours
10	Ulos Godang	42-70 hours
11	Bakal of Sarung and Selendang	40 hours
12	Bakal Baju / Kemeja	14 hours

There are also problems faced by stakeholder in ulos woven fabric industry can be seen in Table 6 below:

Table 6. List of Problems Faced by Stakeholders

No	Description of Problems	Total (%)
Weaver		
1	Low Wages	21,875 %
2	Yarns are easily broken, damaged, hairy, and rolled	18,75 %
3	Tools of Waving are damaged / broken so that inhibit weaving	12,5 %
4	There is no place of weaving in the house	12,5 %
5	Creativity makes woven motifs is less (not skilled with new motifs)	18,75 %
6	Delayed work because of being slow to out the yarn in the jade (can not slash themselves)	9,375 %
7	Not yet implemented K3 (Occupational Health and Working Safety)	6,25 %
Entrepreneur		
1	Lack of Working Capital to fulfill orders	18,18 %
2	Price of yarn is expensive	18,18 %
3	Low Employee Loyalty	18,18 %
4	More Independent Weaver (don't want as worker more)	18,18 %
5	Marketing	9,09 %
6	Lack of Government Attention	18,18 %
Seller		
1	The Woven Products are less neat	55,6 %
2	Buyers ask for low prices	44,4 %
Maker of Yarn/ Benang Lusi (Wrap) dan Benang Pakan (Woof)		
1	The Level of Work is Difficult when bombing	34 %
2	The Size of <i>Lalatan</i> doesn't match with Alat Tenun Bukan Mesin (Not Weaving Machine Tools)	33 %
3	Takes Along Time	33 %
Customer/ Consumer		
1	The Price is not The Same As Quality	50 %
2	Lack of historical information about ulos woven fabrics	50 %
Cooperative, Industry and Trade Department (KOPERINDAG)		
1	The Group of ulos woven fabric industry that had been given training mostly did not follow up on the training or counseling	100 %

There is also an advantage possessed by the Ulos woven fabric industry shown in table 7 below:

Table 7. List of Advantages Possessed the Ulos Weaving Fabric Industry

No	Description	Total (%)
1	Weavers are conscientious in weaving	25 %
2	Able to design / Creative to make motifs	18,75 %
3	The work can be done at home	18,75 %
4	There are many emerging new weavers	12,5 %
5	The Quality of Ulos woven fabric is very good	12,5 %
6	High Employee Loyalty	12,5 %

Based on the available data, using the Strength Weaknesses Opportunity Threats analysis, inventories the Strengths, Weaknesses, Opportunities and Threats in the Ulos Woven Fabric Industry, determined weight and rating of each element of the SWOT analysis, then the Internal Factor Matrix and External Factor Matrix are arranged as shown in table 8 and table 9 below.

Table 8. Internal Factor Matrix

No.	Category	Uraian	Bobot	Rating	Total
1.	<i>Strength</i>	1. Man Power/ Weaver (Skilled are Creative in Designing or Motifs)	0.24	4	0,960
		2. Product Quality	0.14	4	0,560
		3. Selection of The Uniqly Motifs	0.13	3.5	0,385
		4. Employee Loyalty	0.10	3	0,300
		5. Availaibility of Raw Materials	0,07	3	0,210
2.	<i>Weakness</i>	1. Lack of Working Capital	0.24	4	0,880
		2. Family Business	0.04	3	0,120
		3. Less Quality of Yarn (Broken and Hairy)	0,04	1,5	0,045
		4. Lack of Information Sources	0.03	1,5	0,030
		5. The wood used in ATBM is Often Damaged and Broken	0.03		
Total			1		3,580

Table 9. External Factor Matrix

No.	Category	Description	Quality	Rating	Total
1.	Opportunities	1. Establishment of a Producer Cooperative	0.2875 0.1375 0.0375	4 3 3	1,15 0,4125 0,1125
		2. Technology Changes	0.0375	3	0,1125
		3. Many new weavers have appeared			
		4. Prices of weaving products that are too cheap and insufficient for the life needs of weavers			
2.	Threats	1. Types of thread that are hard to find	0.105 0.09	4 4	0,42 0,36
		2. Yarn that is cut when woven / brewed with too much feather fiber	0.085 0.08 0.045	3,5 3,5 2	0,2975 0,28 0,09
		3. The price of yarn is relatively expensive	0.035 0.025	3 3	0,105 0,06
		4. Sequence Color order is rarely found	0.02 0.015	2,5 2,5	0,0375 0,0375
		5. The wood used in ATBM is often broken and broken	0.01	2,5	0,025
		6. Prices of woven fabrics tend to fall			
		7. Prices of woven products that are too cheap and insufficient for the needs of weavers			
		8. Weaver fans are getting smaller			
		9. Lack of attention from relevant agencies			
		10. Number of weavers (products similar)			
Total			1		3,500

The External Internal Matrix of the Ulos Woven Fabric Industry can be seen in Figure 2. Below.

	Strong	Average	Weak
	4,0	3,0	2,0
High			
Middle class			
Low			

Fig. 2. The External-Internal Matrix of Ulos Woven Fabric Industry

Based on the Internal External Matrix of the Ulos Woven Industry as shown in table 7, the appropriate strategy applied is the *Strength-Opportunity* strategy, increasing quality production capacity with strong capital by establishing producer cooperatives, where producer cooperatives will be able to overcome capital problems, supply of quality and cheap yarn, which in the end will also can develop new products with creative design motives by skilled weavers, coupled with the opportunity to produce in large quantities. The government must be able to facilitate the implementation of this strategy, with the formation and training of the cooperative, industry and trade services, as well as the musrenbang (development planning and community discussion) which consists of village governments that work together with society and other stakeholders.

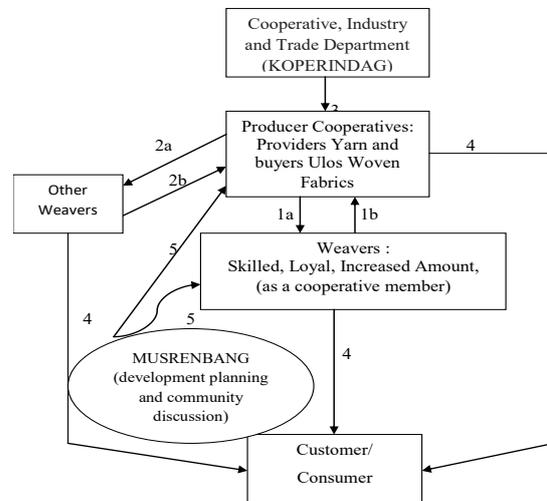


Fig. 3. The Value Chain Holistic Model of Industrial Ulos Weaving Fabric

Description of Figure

To overcome the weaknesses of weavers in providing warp and weft yarns at cheap and quality prices directly from yarn manufacturers, then a Producer Cooperative was formed. Weavers as members of producer cooperatives will get a share of the remaining proceeds of the business.

1a. The producer cooperative provides the yarn needed by the weaver, in the form of quality yarn (not easily broken, not hairy, varied colors and cheap). The management of this cooperative producer must be able to bring yarn directly from yarn manufacturers in sufficient quantities, according to their needs and lower prices; and able to provide weaving equipment with good quality, light and not easily broken wood, and also weaving equipment needed by cooperative members easily. Those who are members of producer cooperatives here are weavers who are also owners. As cooperative management, it is required to pay attention to its role in the cooperative, which is an honest and orderly administration in recording cash in and out, and must remember the cooperative principles is from members to members. The existence of this producer cooperative will support the skills of weavers who are

able to design diverse and unique ulos woven fabrics, so that the weaver's productivity is higher and sustainably qualified. The ability of cooperative members to be better at producing quality and unique ulos woven fabrics will increase the use of cooperative funds. Therefore, it will increase the remaining business process of the cooperative members, which in the end will be enjoyed by all members and management of the cooperative in accordance with their participation in the cooperative.

- 1b. With the availability of guaranteed capital by the procurement of good-quality, cheap and varied-colored yarns, then weavers with well-owned skills, high loyalty and the ability to design ulos woven fabrics with various motives, will produce good quality and unique products. Furthermore, weavers sell their products to producer cooperatives (which have marketing subunits) at competitive / more expensive prices than to collectors (middlemen) who have been funding the work of weaving (loan sharks); at the time of delivery of woven fabric products, the management can at the same time cut off the mandatory savings of members. The high production activity will automatically increase the amount of Remaining Business Proceeds that will be received by weavers as members of the cooperative. The existence of this cooperative will also increase the bargaining power of the weavers group, because they can determine competitive market prices with good quality and unique designs.
- 2a/b. Weavers who are not members of cooperatives may also buy yarn and sell their ulos woven products to the cooperative (of course, they will not get the remainder of the cooperative's business because they are not members of the cooperative).
3. Office of Cooperative, Industry and Trade (Cooperatives, Industry and Trade) Cooperative Office and Micro, Small and Medium Enterprises are declared healthy/good if the aspect of cooperative service to members is at least 80%, by disseminating GEMASKOP (Cooperative Conscious Community Movement) so that the role of cooperative services will be able to encourage the realization of this home industry as an economic power by providing administrative training to management or management of producer cooperatives that aims to develop cooperatives and develop weaver human resources in producing good quality products, unique and ultimately will prosper people's lives (Wardani, 2013). Industry and Trade Department have a role in guiding and counseling, developing production quality (product standardization), fostering facilities and infrastructure, and developing marketing patterns. The guidance that can be provided by the industry and trade services for the ulos woven fabric industry includes training in management, production techniques, marketing techniques, conducting comparative studies in more advanced regions, including exhibitions at both local and national and even international levels, fostering marketing and promotion patterns, developing linkages

and partnership patterns and intellectual property rights (Damayanti, 2018).

4. Weavers who are not members of the Cooperative and cooperative member weavers can make direct sales to consumers. Producers cooperatives consisting of weavers can also sell products directly to consumers, with / without facilitation from the Department of Industry and Trade.
5. MUSRENBANG or Development Planning and Community Discussion (village / urban village, city / regency Development Planning and Community Discussion, which consist of village government in collaboration with residents and other stakeholders, including village head and urban village head), must actively participate in facilitating the problems of the Ulos woven fabric industry group, by incorporating the program into the village budget plan or urban village budget or into the village development work plan (Musrenbang, 2015)

Conclusion

Based on data that has been collected by means of open interviews and observations directly to the field, and further processed by the author, and evaluated, the following conclusions are obtained:

- [1] Strength possessed by the ulos woven fabric industry include the skills of workers in designing ulos woven fabric motifs with high loyalty, and producing quality ulos woven fabric, so that competitive prices can be determined by this ulos woven fabric industry group if they take advantage of the opportunities by forming a cluster of woven fabric industries, gather in producer cooperatives that will provide quality yarn, (not easily broken, hairless, color available) following technical, administrative and marketing training (domestic and outside country) on an ongoing basis from *KOPERINDAG* (Cooperative, Industry and Trade Department)
- [2] The holistic model of the value chain of the Ulos woven fabric industry in Simalungun Regency, Pematang Siantar City, Samosir Regency and North Tapanuli Regency based on Strength Weaknesses Opportunity Threat analysis is a Strength-Opportunity strategy that must use force to take advantage of opportunities to eliminate external weaknesses and threats, namely by establishing producer cooperative which consists of weavers / entrepreneurs in the Ulos woven fabric industry; producer cooperatives that will overcome capital problems providing quality threads (cheap, hairless, not easily broken, available of many colors); and will buy Ulos woven fabric from producers cooperative members at attractive prices compared to being sold directly to collectors. As a member of the cooperative, they are entitled to receive technical, administrative and marketing services from the cooperative office, especially with the existence of movement of people that conscious cooperative (*GEMASKOP*); the industry office can provide technical training on the standardization of the quality of ulos woven fabrics and the trade service can give

attention to help broader marketing, through cultural festivals, exhibitions, there will be a memorandum of understanding between investors and the cluster of ulos woven fabric industry. so that the ulos woven fabric industry will have a high bargaining power, in the end it will improve the quality of life of stakeholders in the Ulos woven fabric industry.

Recommendation

An equally important role in implementing the holistic model of the ulos woven cloth value chain is by activating the role of village / city / regency development planning meetings (MUSRENBANG), cooperation between citizens and other stakeholders with village / city governments (including village heads) and Lurah), who must actively participate in facilitating the solution to the problem of the Ulos woven fabric industry group, by incorporating the program into the village budget plan or the outline budget or into the village development work plan. (Musrenbang, 2015)

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