



Energize and Strengthen Business Foundation for Winning Competition at Aqiqah Firm “Nurul Hayat, Surabaya”

Johny Rusdiyanto^(✉)

University of Surabaya, Surabaya, Indonesia
j_rusdiyanto@staff.ubaya.ac.id

Abstract. Nowadays, when the existence of business foundations has not been strong because of the Covid-19 pandemic in all sectors. This will make all firms have to make a hard effort to find all opportunities for winning in the unpredictable business environment competition. Every firm needs solid competitive advantages to strengthen its sustainability in uncertain business competition. In fact, there are technological developments with various forms of innovation which use the internet as the primary tool to realize what customers want, what information they want to know, and new innovation findings that have emerged worldwide. It is believed that business people use technological innovation, especially in advertising company products. This is mainly done through advertising campaigns conducted through websites, web ads, and social networks to increase sales turnover and customer satisfaction and promote the company simultaneously. It is also known that the current competition pattern between companies shows a change closely related to market share. Many companies focus on increasing social networking through social media on the internet with the main motive to offer quality products at reasonable prices by using platforms such as Facebook, Instagram, Twitter, and others. This paper focuses more on discussing the role of business foundations, especially social linking information technology with digital business strategies following existing and relevant theories in carrying out aqiqah “Nurul Hayat,” Surabaya, Indonesia.

Keywords: First Keyword · Second Keyword · Third Keyword

1 Introduction

The continuity of the company’s business is influenced by the strength of the business foundation owned by the company. This foundation is the main strength in dealing with all forms of threats and collisions experienced by the company in an increasingly unpredictable and uncertain business environment. The business foundation will create business immunity that strengthens the company’s competitive advantage in the competitive arena with competitors. Analogically, it can be explained this way: when there is an earthquake in an area, and many houses are destroyed to the ground, but if one house is still standing, the house will remain intact because of the strong foundation of

the house. So in simple terms, every business must have a strong business foundation that is a driver and, at the same time, a trigger for the company to continue to exist and survive in intense competition. The following will explain some of the things included in a business's foundation. It must be strengthened within the company to strengthen its business and maintain it, especially post-Covid-19. Many fatalities and severe human suffering both nationally and globally due to the pandemic.

Risma [1] stated that the pandemic is the biggest public health crisis and has also caused a major economic crisis, such as many productions stopping in many affected companies, falling consumption and confidence, and the stock market responding negatively to increased uncertainty. Handayani et al. [2] revealed several consequences of the Covid-19 pandemic that have affected the economy, especially business people, both from the supply and demand sides. On the supply side, businesses are experiencing a decline in labor supply, as workers are unhealthy or have to endure a lot. At the same time, schools are closed, and people's movements are restricted. However, efforts to deal with Covid-19 with lockdowns and quarantines led to an even more severe reduction in capacity usage. Furthermore, the supply chain was cut, leading to shortages of parts and semi-finished goods. Not much different, Muniarti [3] revealed negative demand-side consequences, including a sudden and dramatic loss of demand and revenue for businesses that seriously affects their ability to function and/or causes severe liquidity shortages. In addition, consumers experience loss of income, fear of contagion, and increased uncertainty, reducing spending and consumption. This effect is exacerbated because workers are laid off, and companies cannot pay salaries. Furthermore, Azwar [4] argued that these various impacts affect large and small companies. However, the impact on small businesses appears to be severe, mainly due to the higher degree of vulnerability and lower resilience associated with their size. Small business appears to have minimal resilience and flexibility in dealing with these cost shocks.

Many changes in business models, business methods, and distribution are caused by digital transformation and impact how companies compete, changing business models, production and distribution methods, and how companies compete. In fact, digital technologies can reduce the costs of entering new markets, even across borders, because platforms allow companies to sell online seamlessly to new customers and become "micro multinationals." Digitalization can also reduce the increase in production, advertising, and distribution costs for new businesses. For example, the availability of cloud computing services gives smaller, newer companies access to the internet without investing in physical infrastructure. In more depth, core digital products can be replicated at near-zero marginal cost. This allows innovative startups to grow and gain market share more quickly when they bring products to market, often with few employees, few tangible assets, and a limited geographical footprint (Andrew et al., OECD, 2018). However, the emergence of these new digital technologies also creates economies of scale and scope that present challenges to maintaining competitiveness: first, that is, digital production generally has significant initial costs to develop a product and a near-zero marginal cost; second, the role and importance of intangible assets (intellectual property, algorithms, software, data) to compete effectively (Andrew et al., OECD, 2018). In particular, in an increasingly data-driven economy, platforms benefit from economies of scale and scope in data collection; precisely because data has become a more valuable asset and because

access to large amounts of data is used for better analytics and machine learning, which further helps companies improve the quality of their services and target new potential users (Berlingieri et al., OECD, 2016). A growing market for intercompany data also exists, which may contribute to reducing asymmetries in data collection between smaller and larger players. The platform business also exhibits a strong network of effects, which looks to the future further amplify the benefits of scale and potentially create difficulties for new entrants to enter various markets where they have to compete with large established companies.

Over the last thirty years, rapid improvement in the IT sector has become a functional strategy that must be in line with the business strategy chosen by companies. Even within the so-called adaptation idea [5], despite calls to acknowledge the strategic importance of digital business in shaping business strategy and transforming business processes and scope, the process has been slow [6]. Adapting a digital business strategy is often considered a functional strategy and is largely aligned with business strategy but fundamentally underlies the emergence of a company's competitive strengths. Much research has been done on business process redesign, including internal audit and approval systems, and studies on the business value of business strategies, and it seems that the importance of digital business strategy is increasing over time among other business development strategies like no other [7, 8]. In the last decade, technological advances in information, communication, and connectivity have created new functionality technologies. The following decades have established companies using global connectivity to adapt to global connections with lower price or performance levels (hardware and software) and standardized protocols (e.g., internet and mobile web). Fundamentally, this digital technology reforms traditional business strategies into modular, distributed, functional, and global business processes that enable businesses to run within time, distance, and function constraints [9].

The digital business strategy focuses on technology tools such as the internet and informatics used for business. Digital initiatives are characterized by the intensive use of new digital technologies to improve business areas, discover new types of business, interact with customers and stakeholders, and create business opportunities and future growth. Dynamic capabilities suitable for volatile environments can also be facilitated by digital technology [10]. Changes in the structure of social relations in the consumer and business areas through social media and social networks can also be carried out by digital technology [11]. Social networks allow companies to discover and define other marketing and sales techniques. Among these opportunities, social networks improve communication between companies and customers, product advertisers can be more easily identified, and this network structure allows customers to communicate with each other and potential customers [12]. It aims to reduce costs while increasing profit levels in a more innovative and fast-paced digital entrepreneurship business process by incorporating technological developments in the rapid development of social networks. As in traditional entrepreneurship, digital entrepreneurship has the same concept of creating jobs and contributing to economic growth and sustainable development. The explanation above is related to several things that are a source of strength for business foundations, such as information technology, digital technology, digital business strategy, and the ability to create business or social networks owned by companies; all of the discussion

above is a strength due to technological developments and becomes the strength of the foundation. Company-owned business means that the strength of the company's business foundation related to digital technology is the main energy in strengthening the company's competitive advantage.

Other sources of business foundation strength and important existence in the company can be explained as follows. First is the Corporate mindset, which is shared by all hierarchical levels within the company. This is important so that the mindset is similar and the possibility of internal conflict occurring is minimal or even non-existent when all individuals are fighting for the company's existence. Second is networking, namely business networks controlled by the company and the ability to control the entities in this business network. However, the ability to establish business networks will significantly accelerate the development and growth of the company's business. Third, Brand image and Firms' Reputation are related to the company's image in the eyes of the public and customers. The brand Image and Reputation of this company is a foundational strength that is invisible but strongly influences public trust in the company. Fourth, Human Resources Capabilities, namely HR capabilities in the form of competency level, HR work character, HR work health, commitment, and sincerity of HR work to make their best contribution to the company. HR Capabilities will also determine how well and vigorously innovation and other creations emerge within the company. Fifth, the Management system, which concerns how good and appropriate the management system used in the company is to make all the organization's resources contribute optimally. This management system includes technical facilities and managerial support, such as a Teamwork work pattern, SOP (Standard Operating Procedure), KPI (Key Performance Indicators), Employee Engagement Program, Career Management, and Business Fitness. In fact, the five business foundations mentioned above are not easy to create and maintain in a company. However, a belief about the strength of the company's business foundation will emerge when the company can own all the supporters of the establishment of the company's foundation.

2 Profile of Nurul Hayat Institution and Aqiqah Firm, Surabaya

The business of AQIQAH NURUL HAYAT (hereinafter written as Aqiqah NH) was originally a business that could be categorized at the micro business level. Then develop to increase the level of small businesses. Then it grew quite rapidly and is now a medium-sized business. Can it also be said to be a big business? Insyallah, in the future, it will be like that. Currently, there are 58 marketing cities in Indonesia that are operational locations for this aqiqah business marketing, namely: (1) West Java: in the cities of Tangerang, Ciledug, Bekasi and Depok, Bogor, Cimahi, Cirebon, East Jakarta, Tasikmalaya, Cilegon, Garut, Cianjur, Sumedang, Subang, Sukabumi and the city of Bandung, (2) Central Java: in the city of Semarang, Ungaran, Kendal, Solo, Jepara, Magelang, Pekalongan, Sragen, Tegal. Salatiga, Klaten and Yogyakarta. (3) East Java and Madura: in the cities of Surabaya, Bangkalan-Madura, Sidoarjo, Krian, Porong, Mojokerto, Gresik, Lamongan, Malang, Batu, Blitar, Tuban, Madiun, Ngawi, Ponorogo, Pasuruan, Probolinggo, Ponorogo, Pacitan, Jember, Kediri, Nganjuk, Tulungagung, Bojonegoro, and Cepu. (4) Kalimantan: in the cities of Balikpapan, Banjarmasin and Samarinda. (5) Sumatra: in the

cities of Medan and Palembang. This business closely connects with one of the types of worship in the Islamic religion: celebrating and giving thanks to Allah for having been blessed with a child. For boys, it is obligatory to slaughter 2 (two) goats, and for girls, only 1 (one) goat. Generally, this aqiqah celebration is held immediately after the child is born, but many later postpone the time and do it after the child is older. This business relies on 3 (three) things: guaranteed sharia or halal, a timely distribution system according to the time of order, and guaranteed health and cleanliness. Delivery uses unique cars with the Aqiqah NH logo in all marketing cities and head offices. This vehicle is intended to ensure cleanliness during the trip to the customer's house, and currently, this aqiqah business has received a halal certificate from the MUI (Indonesian Ulama Council). Entering the era of the Industrial revolution 4.0 and the global society, the adaptation carried out by the Aqiqah NH Business is more on promotions using various social media such as Instagram, Facebook, and Twitter. The determination of these three social media is based on the number of users. It is also planned to use other social media such as TikTok and Snack Video.

The promotion strategy through social media is carried out by updating the information daily, which is carried out by all branch offices, and using more content in storytelling. Apart from that, the content is made as attractive as possible and accompanied by photos of Aqiqah users, complete with gifts such as "QIQO" dolls and opinion sharing of Aqiqah users. In the production process, various tools are used that are more artificial intelligence from technological advances to measure, package, and control from raw materials to ready-to-eat food and delivery to consumers' homes. The cleanliness and hygiene factors for ingredients and dishes are prioritized and carried out with strict quality control. In the Aqiqah sales strategy, market segment diversification is carried out with a focus on serving the celebrity and official segments. In its journey, many celebrities have used the services of Nurul Hayat's Aqiqah party so that it began to be known by its branding as "Aqiqah of Celebrities." Alhamdulillah, with 19 years of continuous efforts to provide the best, the achievement as the largest Aqiqah company in Indonesia has been achieved in 122 cities in Indonesia in 2022. Currently, there is a categorization of Aqiqah products offered based on packages with the term Aqiqah Platinum packages, special Aqiqah packages, and the Super Aqiqah Package, the Satisfied Aqiqah package. Efforts to diversify related businesses are still being attempted. To this day, several products that are derivatives of existing Aqiqah products are Aqiqah Frozen, Tumpeng Rice, Biryani Rice, Tasneem Rice Boxes, Children's Aqiqah packages, Pregnancy Tasyakuran, Aqiqah packages Bento and Satay Buntel. Promotional efforts are carried out by giving Free Tumblers and information on social media and constantly updating content on Facebook, Twitter, and Instagram with photos of Aqiqah customers from all branches in Indonesia. Until now, it has also used sales offers through marketplace media and collaboration with Tokopedia, Bukalapak, and Shopee for online sales offers.

3 Research Questions

Referring to the empirical conditions of Aqiqah Nurul Hayat's business above, the research questions set are:

- a. What has Aqiqah Nurul Hayat done to strengthen the business foundation, especially with the emergence of the Covid-19 Pandemic and after the pandemic?
- b. What has Aqiqah Nurul Hayat done to keep up with the digital era and global society 5.0 so that the speed of development and business continuity is guaranteed for the future?

4 Research Method

The approach used in this study is a qualitative approach from inductive building theory through the use of real cases that occurred at Aqiqah Nurul Hayat. Through this real case, it is hoped that the research results will be able to exploit significant phenomena from an increasingly uncertain business environment. Data is obtained through various guaranteed sources so that the data obtained can be ascertained to be valid (validity) and meet the required reliability. 6 informants were supervisors and business leaders of *Aqiqah Nurul Hayat*, and direct observations and in-depth interviews were carried out, as well as analysis of documents or empirical data obtained. The data analysis procedure was carried out through 3 (three) stages, namely in-depth interviews, direct field observation, and document analysis.

5 Results and Discussion

The business existence of Aqiqah Nurul Hayat is maintained by strengthening the business foundation, namely strengthening competitive advantages in business, which is the trigger and driver for achieving victory in business competition. The business advantages include strengthening capability improvements in terms of, First, the business foundation. Strengthening the foundation of this business is strengthening resource ownership focused on (a) Increasing Basic Business competencies through training and learning about culinary from mutton, Arabic cuisine with Biryani rice carried out to existing cooks—then training on business management systems. The training results were very significant because the performance of Aqiqah’s cooks was increasing, and the emergence of innovations in several new food products and system management using the latest applications. (b) Technological Competency Improvement. This is done through training and hands-on practice using several relevant applications by first providing an understanding of the basic knowledge of using technology applications. The results are real capabilities in using new technology applications such as Trello applications, Balanced Scorecard Applications, Discord, business content creation, marketplaces, using Zoom, and several other applications. Second, Business Immunity. The strengthening of business immunity is focused on learning and establishing a performance management system with the main hope of creating a “healthy” and “fit” organizational management system. Learning is carried out starting with the basics, namely improvements in SOP (Standard Operating Procedure) and KPI (Key Performance Indicator) at the individual, team, work unit, and integrated organizational levels to gain fitness in organizational or business management (Business Fitness). Apart from that, motivation and seriousness to work were also strengthened, which included creating attractive programs

such as the Employee Engagement program, namely jointly determining several agreements between management and employees that were mutually beneficial and family-friendly. Such as a performance-based compensation system, family member benefits, and employee involvement in designated projects. In addition, strengthening the Career Management Program is more objective. It provides unique opportunities for individual career development and fair promotion because all employees have equal opportunities to take objective tests and interviews when there are vacant hierarchical positions. Third, Business Capabilities. Strengthening is done mainly about knowledge related to the organization. Conducted through Reframing Mindset training with selected topics such as Corporate mindset, building networking/Business Networks, Synergic Teamwork (Synergistic Teamwork), Design Thinking method for innovation, building trust, and building Emotional Relationships between individuals, between teams, and between work units. The real results that occurred during 2022 on the performance of business entities showed a very significant increase, namely an increase in performance of more than 43% compared to the previous year. While the level of difficulty seen is seen in (a) Strengthening technological competencies that must learn new technological applications. This is reasonable, considering technological adaptation requires intense training and repeated practice. However, learning about technology adaptation must be carried out repeatedly to acquire the basic capabilities of technology application. (b) Learning about the Design Thinking method shows high enthusiasm and strong commitment, especially when wanting to innovate or improve work, service, and performance improvement processes. Meanwhile, strengthening activities regarding business immunity can run smoothly, and it is based more on their liking to work in this institution which is fun, proactive, and full of kinship as well as a sense of high objectivity.

References

1. Ikawaty R (2020) CORONAVIRUS 2019-nCoV, GO-VIRAL! – Universitas Surabaya (UBAYA). In: ubaya.ac.id. <https://www.ubaya.ac.id/2020/03/11/coronavirus-2019-ncov-go-viral/>. Accessed 28 Apr 2023
2. Handayani D, Hadi DR, Isbaniah F, et al (2020) Corona virus disease 2019. *Jurnal Respiriologi Indonesia* 40:119–129
3. Murniati Mukhlisin (2020) Tujuh Paket Ekonomi dan Keuangan Syariah – Mengatasi Dampak Krisis Covid-19. In: mysharing.co. <https://mysharing.co/tujuh-paket-ekonomi-dan-keuangan-syariah-mengatasi-dampak-krisis-covid-19/>. Accessed 28 Apr 2023
4. Iskandar A, Possumah BT, Aqbar K (2020) Peran Ekonomi dan Keuangan Sosial Islam saat Pandemi Covid-19. *SALAM: Jurnal Sosial Dan Budaya Syar-I* 7:625–638
5. Henderson JC, Venkatraman N (1992) Strategic alignment: a model for organizational transformation through information technology. *Transforming organizations* 97–117
6. Venkatraman N (1994) IT-enabled business transformation: from automation to business scope redefinition. *Sloan Manage Rev* 35:73
7. Chan YE, Reich BH (2007) IT alignment: what have we learned? *Journal of Information technology* 22:297–315
8. Hirschheim R, Sabherwal R (2001) Detours in the path toward strategic information systems alignment. *Calif Manage Rev* 44:87–108
9. Commission E, Centre JR, Bogdanowicz M (2016) Digital entrepreneurship barriers and drivers : the need for a specific measurement framework. Publications Office

10. Pavlou PA, El Sawy OA (2010) The “third hand”: IT-enabled competitive advantage in turbulence through improvisational capabilities. *Information systems research* 21:443–471
11. Susarla A, Oh J-H, Tan Y (2012) Social networks and the diffusion of user-generated content: Evidence from YouTube. *Information systems research* 23:23–41
12. Roberts KK (2010) Privacy and perceptions: How Facebook advertising affects its users. *The Elon Journal of Undergraduate Research in Communications* 1:24–34

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter’s Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter’s Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

