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## Effect Operation Strategy on Performance

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### ABSTRACT

The aim of this research is to determine the operational strategies and business performance of entrepreneurial students, as well as to analyze operational strategies on business performance. This research was conducted on entrepreneurial students in Malang consisting of students from UB, UM Malang, Poltek, UMM, Unisma and UIN Malang. The population is students who are actively running businesses with an unknown number. Sample The sample was taken from 25 entrepreneurial students at each university, so that the total sample was 150 which was considered to represent all entrepreneurial students. The sampling technique was accidental sampling for entrepreneurial students in tertiary institutions. The analysis tool uses an interval scale and regression with SPSS. The research results show that the operation strategy and business performance of entrepreneurial students is very good, the operation strategy (cost, quality, delivery and flexibility) influences business performance.

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## Introduction

A bachelor's degree is one of the dreams of many Indonesians and an important achievement for students, but not all graduates with a bachelor's degree can get jobs easily. National Labor Force survey data (Sakernas) from the Central Statistics Agency (BPS) shows that the number of open unemployed in Indonesia reached 8.43 million people in August 2022 with 7.99% or around 673.49 thousand of the unemployed coming from university graduates (Detik Edu Tim, 2023). According to the Indonesian Minister of Manpower (Menaker), Ida Fauziyah, the large number of unemployed college graduates is due to the lack of link and match between universities and the job market.

This problem was answered with the emergence of the Independent Campus Learning (MBKM) policy in Minister of Education and Culture Regulation No. 3 of 2020, namely giving students the right to study outside their study program for 1

semester and carry out activities outside of higher education for 2 semesters. The aim of MBKM is to encourage students to master various sciences in preparing them to enter the world of work. This program is expected to reduce the gap between college graduates and the job market, so that the number of unemployed can be reduced. One of the eight MBKM programs is Independent Entrepreneurship, which provides students with the opportunity to obtain learning in the field of entrepreneurship at selected universities.

The existence of the Independent Entrepreneurship Program is very beneficial for both universities and students. Higher education as an educational institution is not only obliged to provide education for its students, but also to ensure that its graduates obtain employment. The high number of graduates who get jobs before graduating or a maximum of 1 year after graduating is an indicator of higher education success. For students, entrepreneurship is an activity that can improve the skills of developing ideas, being creative and innovating. In addition, the academic advantage of entrepreneurial students is that they get a conversion of 20 credits and can replace their final assignment or thesis.

Entrepreneurial students are students who carry out entrepreneurial activities in between busy studies. These entrepreneurial activities are carried out independently or with support from facilities from the campus, the Ministry of Education and Culture or other parties. At various universities, the majority of entrepreneurial students are entrepreneurial students who do it independently before becoming students or while they are students. An independent entrepreneur is an entrepreneur who does not depend on and does not want to be influenced by any party. The classification of entrepreneurial students, both online and offline, is from small scale to large scale.

Entrepreneurial activities for students are certainly not easy because they have to divide their time between business activities and college assignments, however, all entrepreneurial students stated that they enjoyed this activity. Moreover, all students who are entrepreneurs already have basic competencies. In running their business, students already have knowledge of management and entrepreneurship because both are mandatory curriculum in all study programs and in soft skills training. One of the materials in this learning is business performance and competitive advantage in terms of operations management, human resources, finance and marketing. In the current turbulent business environment as a result of the continuous and fundamental changes in technology and markets, better performance in innovation is needed to make firms more adaptable (Kumar et al., 2020). Managers can effectively do this for performance gains maximize profitability (Hughes et al., 2018).

Competitive advantage in operations management or what is called operations strategy is how the business undertaken is superior to other competitors' businesses. Operations strategy is not just about what it contains but is also concerned about the process of its development and implementation (Matthias & Brown, 2016). Operations strategy has been proven to be an important part of every business so that business activities can be at least the same or even better than competitors. Since the operational strategy was first introduced in 1964, it has been believed and practiced

by various business scales with reaping business success. Skinner as an operations strategy formulator stated that to be superior, every business must be oriented towards cost, quality and delivery. Apart from that, practitioners added 3 things in operations strategy, namely environment, service and information.

## **Literature Review Performance**

In terms of performance, prior research has examined performance considerations from both an operational performance and financial perspective (Wiengarten et al., 2019). The literature is inconclusive on whether performance measurement, namely, financial and non-financial measures, is associated with firm performance (Masini et al., 2015). Thus, it is worth investigating the relationship between performance measures and firm performance because performance measures help managers monitor and assess their firm's progress toward strategic goals and objectives.

There are many indicator of firm performance, Doran & Ryan (2012) employment, capital and turn over. The primary measures of firm performance are return on sales (ROS) and return on assets (ROA) (Liu et al., 2014). Firm performance are LN (Total Compensation), ROA Adjusted and LN (BS Volatility) (Khan & Vieito, 2013). LN (Total Compensation) is the total of remunerations gained by the executives and is the sum of salary, bonus, stocks options, restricted stocks, LTIP (2), other annual compensations and all other compensations.

There are two performance hard and soft performance, hard performance includes raw financial statistics, cost statistics, commissions, and services rendered, whereas soft performance involves supervisor appraisals and self-perceptions (Lirn et al., 2014). Performance indicator is environment performance (Li & Huang, 2017). The performance consequences associated with innovations in efficiency by showing that, for a large sample across multiple industries, changes in efficiency measures derived from frontier analysis enhance profitability forecasts, and that users of these forecasts impound this information, although equity investors do not completely do so (Baik et al., 2013).

## **Operation strategy**

Competition is the driving force of any market economy (Ahmedova, 2015). Intense competition encourages every company to try to explore its competitive edge to become superior by optimizing its existing resources. Apart from that, companies can use operations strategy as an approach to operations management. Operations strategy is formed via complex processes that transpire in multiple directions at multiple organizational levels (Y. H. Kim et al., 2014). Operational strategy is very important for the Company because it can influence the Company's goals in both the short and long term (Yaghtin & Abbasi, 2018). Operational strategy, also known as competitive advantage or competitive priority, can be carried out through cost, quality, dependability and speed of delivery (Ferreira et al., 2020). Two competitive factors are cost leadership and differentiation (Teeratansirikool et al., 2013). A principal component analysis applied to the eight items revealed a three-factor structure

reflecting three distinct competitive priorities related to the quality, delivery and cost dimensions, which are well known in the operations strategy literature (Masini et al., 2015).

Operational performance has been conceptualised as a single construct or through its widely known sub-dimensions (i.e. such as quality, delivery, flexibility and cost). Competitive priorities meliputi durability, details, sophistication, craftsmanship, tradition, service, design excellence, brand image, High fashion trends, low prices, Product mix flexibility, High quality low price casuals, Volume flexibility, market responsiveness (B. Kim, 2013). Quality, speed, dependability, flexibility, and cost (Yaghtin & Abbasi, 2018). Cost, customer service, flexibility and quality (Longoni & Raffaella, 2015). Quality and cost (Sethuraman et al., 2018). Competitive priorities usually refer to four dimensions, which are cost, quality, time and flexibility (Choy et al., 2016). Competitiveness of organizations is mostly dependent on their ability to perform well in dimensions such as cost, quality, delivery, dependability and speed, innovation and flexibility to adapt itself to variations in the environment.

Quality is the main competitive priority for this type of organization which provides high-quality or high-performance standards for consumer/market needs (Wu et al., 2019). Cost is the key competitive priority for this type of organization which adopts cost leadership or a differentiation product cost strategy making a distinction with other competitors (Wu et al., 2019). Price and quality (Sethuraman et al., 2018). Flexibility is the key competitive priority for this type of organization which responds to external factors and rearranges internal strategy process and reschedules appropriate strategy content, such as sensing consumer changing or market needs to adjust routine production line (Wu et al., 2019). Managers may also be at risk of overemphasizing operational efficiency at the expense of strategic flexibility (Kortmann et al., 2014). Delivery speed is the key competitive priorities of this type of organization which has response time factors and delivery process to satisfy market needs, such as effective warehouse management and delivery process design (Wu et al., 2019). Operations strategy types (cost, quality, flexibility and delivery) were studied as distinct variables, whereas supply chain integration also has several dimensions on UK manufacturing firms (Kumar et al., 2020).

### **Effect Operations strategy on performance**

Operations strategy has the strongest influence on a firm's innovation process thereby improving their innovative organizational outcomes (Wu et al., 2019). Competitive priorities that produce the best performance (Drohomeretski et al., 2014). Experts state that operations strategy can increase high performance with top-down and bottom-up methods (Sting & Loch, 2016). Quality and flexibility strategies affect innovation performance, while cost and delivery strategies do not have a significant effect on these variables (Kumar et al., 2020). Competitive strategies positively and significantly enhance firm performance through performance measurement (Masini et al., 2015).

The study found that the strategies have greatly improved performance (profits, efficiency, quality of services to the customers, market share and the employee satisfaction) (Egziabher & Edwards, 2013). Operation strategy (cost, quality, delivery,

flexibility) indirect effect to performance (Qi et al., 2017). The Operation strategy (cost, quality, delivery, flexibility, production time, new product development, customer satisfaction and performance supplier) support and have strong effect on FP (Akgul et al., 2015).

## Method

The research population is students of the University in Malang who have a business and have been running for at least 1 year. The number of students who are entrepreneurs is not recorded, but all respondents are trying to represent students in 6 universities (Brawijaya, Polinema, UM, UIN Malang, UMM, Unisma). The number of samples planned is 150 entrepreneurial students with details of each university represented by 25 respondents. There are 5 research variables that are:

Table 1. Variable and indicator research

No	Variable	Indicator
1	Cost is the amount of the Company's operational expenses	1. Production cost is low 2. Production rate is low 3. Products are classified as low price 4. Labor force is used on production lower than other
2	Quality is the suitability of the specifications of the goods/services desired and offered	1. Conformance quality is important 2. Firm's product is reliable 3. Firm's upstream suppliers supply good quality materials 4. Firm's product defect rate is low
3	Delivery is the ability to send goods as promised	1. Our firm has a good warehouse management procedure 2. Effective delivery 3. Speed Delivery 4. Well delivery procedure
4	Flexibility is the ability to provide variations of goods according to consumer demand	1. Variance 2. Volume changes 3. Product customization 4. Design changes
5	Performance is the result of efforts by optimizing existing resources	1. Profit 2. Customer service 3. Production target 4. Sales

## Analysis technique

Data analysis uses interval scale and multiple linier regression with SPSS.

1. Scale range with the formula =  $(5-1)/5 = 0.8$  with division: 1.00-1.8 (very bad), 1.81-2.60 (not good), 2.61-3.40 (fairly good), 3.41-4.20 (good) and 4.21-5 (excellent)
2. Multiple regression through the regression equation, t test, F test, determination test

## Procedure and participants

This research is quantitative research with an explanatory research approach,

namely research that explains the relationship between variables. The analysis tool used is multiple regression with the help of SPSS 24 for Windows.

The research population is students from 6 universities in Malang with an unknown number of entrepreneurial students. The research sample was 150 entrepreneurial students with a total of 25 students from each university. Samples were taken directly from entrepreneurial students through each business incubator center.

#### Research model

This research is research that combines several research results that are considered to have similarities, namely the research results from Egziabher & Edwards (2013) and Akgul et al. (2015) that cost, quality, delivery and flexibility influence performance.

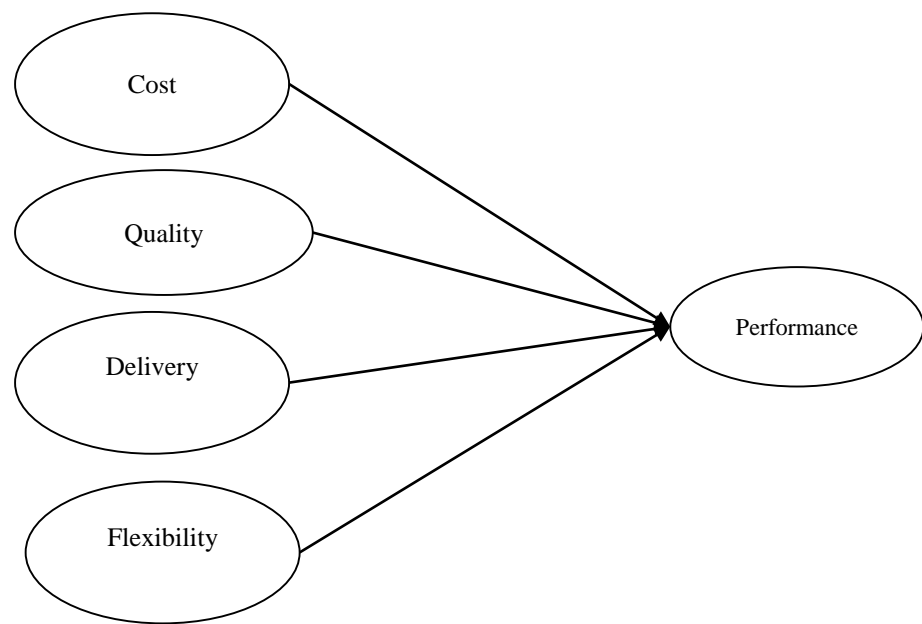


Figure 1. Framework

## Result and Discussion

Table 2. Respondent's characteristic

Characteristic	Man		Women	
	Sum	%	Sum	%
Gender	76	50.6	74	49.4
Service business	30	20	60	40
Manufacturing business	40	26.7	20	13.3
Online marketing	76	100	74	100
Offline marketing	22	28.9	25	33.8
Number of social media	5		5	
Online payment	76	100	74	100
Cash payment	76	100	74	100
Owner's equity	30	39.5	40	54
Joint capital	20	26.3	6	8.1
Parental capital	26	34.2	28	37.8
Local marketing	22	28.9	38	51.3
National marketing	44	57.9	30	40.5

International marketing	10	13.2	6	8.1
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Table 2 explains that the 150 respondents consisted of 50.6% men and 49.4% women, meaning that male and female students both have the same interest in entrepreneurship. In the service business sector there are 20% men, 40% women, while in manufacturing 26.6% are men and 33.8% are women. Thus, the type of business that is most popular with women is services because services require more skills. In online marketing, all men and women use online marketing, while in offline marketing, 28.9% of men and 33.8% of women use it, meaning that women have a big opportunity in offline marketing.

All respondents use a combination of online and offline payments. The type of capital used in own capital is men 39.5% and women 40%, joint capital is men 26.3% and women 8.1%, capital originating from parents is men 13.2% and women 8.1%. Based on the capital used, it can be concluded that women are more independent than men. The local marketing scale is 28.9% men and 51.3% women, the national scale is 57.9% men and 40.5% women, the international scale is 13.2% men and 8.1% women. Based on the marketing scale, men have a wider market scale because they are more prepared and challenged with risks.

#### Validity test

The validity test is a test to measure the validity of the research questionnaire or the validity of the research data so that the questionnaire can be understood by respondents and can show the degree of consistency between the research object data and the results of the notes.

Table 3. Validity test

Variable	Item	R count	R table	Explain
Cost (C)	C1	0.414	0.1655	Valid
	C2	0.381	0.1655	Valid
	C3	0.388	0.1655	Valid
	C4	0.473	0.1655	Valid
	Q1	0.338	0.1655	Valid
Quality (Q)	Q2	0.459	0.1655	Valid
	Q3	0.427	0.1655	Valid
	Q4	0.393	0.1655	Valid
Delivery (D)	D1	0.327	0.1655	Valid
	D2	0.410	0.1655	Valid
	D3	0.422	0.1655	Valid
	D4	0.368	0.1655	Valid
Flexibility (F)	F1	0.483	0.1655	Valid
	F2	0.456	0.1655	Valid

Variable	Item	R count	R table	Explain
	F3	0.386	0.1655	Valid
	F4	0.326	0.1655	Valid
Performance(P)	P1	0.310	0.1655	Valid
	P2	0.418	0.1655	Valid
	P3	0.469	0.1655	Valid
	P4	0.431	0.1655	Valid

Based on the validity test results contained in table 3, it shows that all calculated R values are greater than the R table, meaning that all research indicators are declared valid. As in the validity provisions, an indicator or variable is said to be valid if it meets the requirements for the calculated R value to be greater than r Table. The calculated R comes from the results of data processing and the R table comes from the table, with a sample size of 150 with a significance level of 5%, it has a value of 0.1655.

#### Reliability test

Reliability testing is a test carried out on all research variables to determine the consistency of these variables. Reliability or accuracy can be determined from values that have a high correlation. Reliability testing is useful for obtaining information related to the level of reliability or strength of the questionnaire in data collection which can be shown by the Cronbach alpha coefficient value.

Table 4. Reliability test

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
C1	81.97	72.113	.559	.918
C2	82.09	72.442	.550	.918
C3	82.13	71.834	.551	.918
C4	82.05	69.468	.655	.915
Q1	82.03	72.301	.495	.919
Q2	81.95	71.272	.595	.917
Q3	82.13	69.991	.676	.915
Q4	82.08	71.416	.556	.918
D1	82.03	72.576	.533	.918
D2	82.16	70.525	.661	.916
D3	82.08	70.826	.659	.916
D4	82.13	71.244	.595	.917
F1	82.07	70.492	.607	.917
F2	82.14	71.101	.592	.917
F3	82.02	71.630	.535	.918
F4	82.19	72.117	.528	.918
P1	82.09	71.207	.508	.919
P2	82.19	70.761	.542	.918
P3	82.07	70.801	.617	.916
P4	82.14	70.363	.638	.916



The data requirements are said to be reliable if Cronbach alpha is greater than 0.6 and vice versa. Table 4 shows that all Cronbach alpha values are greater than 0.6, thus it can be concluded that all research variables are considered reliable.

### Interval scale analysis

From the results of respondents' answers to the questionnaire distributed, it can be described as follows:

Table 5. Interval scale

Variable	Item	X item	X variable
Cost	C1	4.4	4.3 (VG)
	C2	4.3	
	C3	4.3	
	C4	4.4	
Quality	Q1	4.4	4.36 (VG)
	Q2	4.5	
	Q3	4.28	
	Q4	4.33	
Delivery	D1	4.38	4.30 (VG)
	D2	4.25	
	D3	4.33	
	D4	4.27	
Flexibility	F1	4.3	4.3 (VG)
	F2	4.3	
	F3	4.4	
	F4	4.2	
Performance	P1	4.3	4.3 (VG)
	P2	4.2	
	P3	4.3	
	P4	4.3	

Based on the results of respondents' answers in table 5, it can be explained that all variables have average values above the interval; 4.21-5.00, so it can be concluded that all research variables are very good.

### Multiple linear regression

The multiple linear regression model is a model that explains the influence of independent variables on the dependent variable. In this research, the dependent variable is performance and the independent variables are cost, quality, delivery and flexibility. The results of this research data processing are listed in table 5.

Table 6. Regression coefficient

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	.684	1.169		.585	.560
Cost	.213	.103	.188	2.055	.042
Quality	.197	.098	.180	2.010	.046
Delivery	.233	.108	.206	2.159	.032
Flexibility	.309	.090	.284	3.438	.001

a. Dependent Variable: Performance

Table 6 contains the results of data analysis using regression analysis to obtain constant values, regression coefficients, t count and t sig values.

### Regression equation

The regression equation is a mathematical equation that contains constants, coefficients and research variables which can be written:

$$Performance = 0.684 + 0.213C + 0.197Q + 0.233D + 0.309F + e$$

Based on the results of the regression equation, it can be seen that the constant value is 0.684, meaning that business performance remains good even without costs, quality, delivery and flexibility. The regression coefficient shows that all research variables, namely cost, quality, delivery and flexibility have a positive effect on performance. These results can be interpreted to mean that the cheaper the production costs, the better the quality of the product/service, the faster the delivery and the higher the flexibility, the better the business performance.

### Partial test (T test)

The calculated t value for each variable is Cost of 0.213, quality of 0.197, delivery of 0.233 and flexibility of 0.309, these calculated t values are all greater than the t table meaning that all research variables namely cost, quality, delivery and flexibility are partial or each of which influences business performance.

### Simultaneous (F test)

The results of the F test are a test that describes the influence of independent variables together on the dependent variable, obtained by comparing the calculated F value with the F table. Table 6 explains that the significance value (sig) of 0.000 is less than  $\alpha$  (0.05), which can be concluded that the variables cost, quality, delivery and flexibility together have a significant/real effect on business performance.

Table 7. Simultaneous (F test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	422.002	4	105.501	50.311	.000 <sup>b</sup>
	Residual	304.058	145	2.097		
	Total	726.060	149			

a. Dependent Variable: Performance

b. Predictors: (Constant), Flexibility, Quality, Cost, Delivery

### Coefficient of Determination

The coefficient of determination ( $R^2$ ) is a value that can be used to determine the model's ability to use dependent variables, meaning the size of the independent variable that is able to influence the dependent variable. The coefficient of determination value ranges from zero to 1, if the value is close to 1 it means that the greater the independent variable influences the dependent variable and vice versa. In other words, the coefficient value describes the ability of the independent variable to influence the dependent variable in a model.

Table 8. Coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 <sup>a</sup>	.581	.570	1.448

## a. Predictors: (Constant), Flexibility, Quality, Cost, Delivery

Table 8 shows an R-square value of 0.570 which can be interpreted as meaning that performance is influenced by cost, quality, delivery and flexibility by 0.570 or 57%, while the remaining 48.6% is influenced by other variables not used in this research. Values above 50% percent are considered appropriate for taking the variables in this research.

## Discussion

From the results of data analysis using multiple regression with the help of SPSS it can be described as follows:

### Operation Strategy and performance

Operational strategy as a way to maintain a company's existence in an equal or better position than competitors is an interesting study. In various cases, not much is revealed about the role of operations strategy in improving business performance because operations strategy is often not widely understood theoretically or practically. However, with the increasing development and expansion of operations strategy in various studies, operations strategy has become a field that is starting to gain a lot of interest.

Operational strategy, which is defined as the company's way of competing from the operational management aspect, is linked to 4 main topics, namely cost, quality, delivery and flexibility. From the research results, cost, quality, delivery and flexibility were stated to be very good, meaning that effective and efficient operations management practices can minimize operating costs, improve quality, implementation fast deliveries with high flexibility.

Meanwhile, business performance as measured by profits obtained, customer satisfaction responses, production targets and sales numbers is also considered very good. These results can be interpreted to mean that implementing the right operational strategy will have an impact on the company's planned achievements which can be realized very well. Performance cannot be achieved without careful planning and implementation according to plan. In this achievement, businesses are not only focused on one indicator because each indicator is interrelated and supports each other.

### Effect of cost on performance

Costs as one of the main components in determining a company's sustainability must be a concern for every company before starting or during business implementation. Costs as one of the considerations in determining prices that will have an impact on profits must be separated from personal costs. Business costs which include labor costs, raw materials, equipment, energy costs are a collection of input, process and output costs.

Accurate cost calculations are the basis for determining the right price for products/services because price is a sensitive matter, so pricing errors resulting from cost determination errors can have fatal consequences. Of the various variables considered by consumers in purchasing goods, it shows that the price variable is the

variable most often considered by consumers. Thus, every business must be careful in determining prices.

Costs, which are total expenses for production activities, are one of the determining factors in performance. The more efficient operational costs incurred in each business can improve business performance. This is one of the determining indicators of business sustainability. The results of this research are in accordance with research conducted by Egziabher & Edwards (2013), (Akgul et al., 2015) The study found that the strategies have greatly improved performance (profits, efficiency, quality of services to the customers, market share and the employee satisfaction).

Effect quality on performance

Quality is the conformity of what is expected and received by consumers, from this understanding there is the same perspective between consumers and producers. This harmonization is a key factor for every business in providing the best service for consumers in the form of conformity of products/services to standards and promises, use of good materials and low damage/failure of products/services.

Quality from the suitability aspect can be in the form of shape, size, color and usefulness as promised by the company. Apart from that, the quality of goods/services starts from quality preparation starting from the selection of materials, the work process and the final result, therefore it is necessary to monitor each stage to be able to achieve zero defects.

Quality is proven to influence business performance, meaning that the more appropriate the quality of the products/services produced can improve business performance. These results support the research of Egziabher & Edwards (2013) and Akgul et al. (2015) that cost, quality, delivery and flexibility influence and strongly support business performance.

Effect delivery on performance

Delivery can be interpreted as the delivery or availability of goods according to what consumers want. Every company tries to keep the goods produced in a safe place, can be delivered quickly, effectively and in accordance with the procedures set by the company. Delivery is not only how companies send goods, but also how companies provide goods in various places that are easily accessible to consumers.

Often delivery is associated with speed and accuracy, but what you also need to think about is the accuracy or suitability of the goods/services sent. Apart from that, in delivery there are also means of transportation and delivery personnel, both independently and using delivery services. Delivery decisions are related to the quantity, distance and shipping costs, so companies can choose one or combine these various options. This is important because it is related to business performance.

Delivery as a whole shows an influence on business performance, meaning that proper delivery can improve business performance. The more precise the delivery is, the more business performance will increase as stated by Egziabher & Edwards (2013) and Akgul et al. (2015) that cost, quality, delivery and flexibility influence and strongly support business performance.

Effect flexibility on performance

A flexible company is an adaptive company, namely a company that easily

follows changes that occur. In its development, business moves quickly, so producers must be able to adapt whenever changes occur. These changes are often associated with shorter product/service life cycles. This condition is a warning to companies that dynamic companies can be predicted to survive compared to static companies.

Flexibility is related to various aspects, namely variance, volume, custom and design which are caused by various drivers. The push to follow flexibility is due to changes in consumer tastes, increasing income and education, competition and lifestyle. Overall, the company's flexibility is very good, meaning that the flexibility possessed by the company is recognized by respondents as very good. Respondents really appreciated the efforts made by the company to make adjustments even though it was not easy.

The research results show that flexibility is proven to have an effect on business performance, meaning that the more flexible the company is, the more business performance will be improved. These results support the research of Egziabher & Edwards (2013) and Akgul et al. (2015) that cost, quality, delivery and flexibility influence and strongly support business performance.

## **Conclusion**

This research aims to analyze and describe the company's operational strategy and performance and wants to know the partial influence of operational strategy on business performance. The description of operational strategy and performance is analyzed using an interval scale, while the influence of operational strategy and business performance uses regression.

The research results show that overall the operational strategy variables consisting of cost, quality, delivery and flexibility as well as business performance are stated to be very good. Likewise with the influence of operational strategies on business performance, all of which are stated to have an influence, meaning that getting better at determining cost, quality, delivery and flexibility can improve business performance.

## **Limitations and Future Research Potential**

Based on the analysis and discussion, there are several things that need to be focused on to complete and improve which are expected to have an impact on the implementation of better operational strategies and higher business performance. Overall, everything the company has done is good, but there needs to be some improvement in product/service design, customer satisfaction and further research references.

As is known, adaptation is something that must be done by companies if they want to maintain business continuity. Product design is the shape or model desired by consumers, on the one hand it requires more effort to make it happen and on the other hand it must be done. An effort that companies can make is to ask consumers directly about the desired design.

Consumer satisfaction must be created, namely whether there is a match or similarity in perception between consumer expectations and producer realization.

Various ways can be done by companies, namely by market testing, displaying product/service prototypes and market research. Apart from that, you need to be open and accept criticism, even if it is unpleasant, and continue to improve.

The next research reference is to add research variables, namely information technology, chain and leadership. This is because the operational strategy only has an effect of 51.6%, which means it is better to add other variables. Information technology and supply chain management are the right variables to complement operations strategy because all operational activities cannot be separated from information technology and supply chain management.

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