

THE ANALYSIS OF SMES BUSINESS DEVELOPMENT STRATEGY DESIGN IN INDONESIA

Harimurti Wulandjani
Iha Haryani Hatta

ABSTRACT

From the SMEs in fish products in Bangkalan District, Indonesia can be identified their strengths and weaknesses, the opportunities and challenges that they face. In this type of business, the external factors (challenges and opportunities) are given more attention than the internal factors (strengths and weaknesses). The score EFE= 1.827 greater than EFI score = 1.789. The EFE score consists of barrier variable score = 0.944 whose value is greater than the value of opportunity score = 0.883. The EFI obtained a score of weakness variables = 1.326 whose value is greater than the score of power variables = 0.463. The design of small to medium micro business development strategy for ocean fishery production in Bangkalan District is WT (Weaknesses Threats), strategy that is to improve the internal capability of business to take advantage of opportunities.

Key words: SWOT analysis, EFE-EFI analysis, business development strategy design.

INTRODUCTION

Bangkalan district as the third largest district of 10 districts in East Java province with the largest number of small to medium micro business processing of fisheries products (Kementrian Kelautan dan Perikanan, 2015). The two largest districts are Kabupaten Tuban and Sumenep. Other districts are Gresik, Lamongan, Sampang, Tulungagung, Trenggalek, Pasuruan and Sidoarjo. Fisheries management activities include fresh fisheries processors, canning, freezing, salting / drying, shoveling, fumigation, fermentation, reducing, semi and other processing. But the limitations of small to medium micro business, among others: the ability to innovate, weak in capital, technology to term can be a problem for SMEs in fish products in Bangkalan District in undergoing its business.

According to Sancoko (2015), business development is the creation of long term value customers and market that related analytical task preparation process of growth opportunity the implementation process of growth. The decisions on business development requires business developers and the strategists. According to Purwono, Joko; Sugyaningsih, Sri; Putri (2015), there are three stages of strategy formulation: summarizing the basic input information needed, matching generating alternative strategies that combine external and internal factors, and decisions that will determine which strategy is the best to applied.

For the business development strategy is needed through SWOT and EFE-EFI analysis. This is in accordance with the research of Ayub, Razzaq, Aslam, & Iftekhar (2013), the impact of pre-job evaluation in assessing SWOT analysis appears to be positive for effective strategic marketing planning. According to Rangkuti (2015) SWOT analysis is the systematic identification of various business owner for formulating a firm strategy by maximizing strengths and opportunities, but simultaneously minimizing weakness and threats. EFE-EFI analysis includes evaluation of internal and external business conditions.

Some studies on the design of business development strategies through SWOT and EFE-EFI analysis, among others, The results of Collins-Kreiner and Wall (2007) explain that a SWOT analysis to evaluating tourism potential of The Western Negev, Israel. The results of Suhartini's research, et al (2012: 1-7) explain that marketing strategy in company X through SWOT and EFE-EFI analysis is to support turnaround strategy to improve weakness to take advantage of opportunities. the results of Abubakar and Bello (2013) found on applying SWOT analysis in Nigerian Mobile Telecommunication Industry, with a view to determining its competitive advantage. The results of Osita, Ifediora Christian; Onyebuchi, Idoko; Justina (2014) explaining that it is very important in the field of human endeavor emphasis should be placed on identifying strengths, weaknesses, opportunities and threats and analyze them for stability and productivity of an organization.

That is why, it is necessary to do research on business development strategy for SMEs in fish products, studies in Bangkalan District, Indonesia. The purpose of this study is to formulate the business development strategy in SMEs fish products by using SWOT, EFE and EFI analysis.

This research population used is the business owner of small to medium micro business in the field of processing marine fisheries (home industry) in Bangkalan, Madura. The sample is randomly selected. Measuring tool used in this research is questionnaire. The questionnaire given to the respondent contains statements with alternative answers is 1 (no) and 2 (yes).

Data processing using SPSS program that produces descriptive data. The analysis of this research is SWOT analysis, external factor evaluation (EFE), internal factor evaluation (EFI). According to Jain (2015), a SWOT analysis is a useful strategic tool that helps in evaluating the strengths and weaknesses of a business owner / organization. The results of Iha Haryani's research (2018) explain that SWOT analysis is used for social mapping of an industrial area in Gresik, Indonesia. According to Ifediora Christian Osita et al (2014, 23 - 32), explains that strengths are the qualities that enable us to accomplish the organization's mission, weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential, opportunities are presented by the environment within which our organization operates, and threats arise when conditions in external environment jeopardize the reliability and profitability of the organization's business. According to Dwi Fatimah FN (2016, 7-13) strength is a special competition that provides a competitive advantage for companies in the market. Limitations of

facilities, financial resources, management skills and marketing skills can be a source of weakness of an organization. While in corporate decision making. These business owner include the industrial environment and the macro business environment, economy, politics, law, technology, population, and socio-culture. So, before the strategy is implemented, strategic planning should analyze the external environment to identify possible opportunities and barriers. This internal factor is related to the conditions that occur in the company, which affected the formation of decision making (decision making) company. These internal business owner include all kinds of functional management: marketing, finance, operations, human resources, research and development, management information systems and corporate culture. According to (Ravanavar, Gomatesh; Charantimath, 2012), the strengths and weaknesses are related to internal organizational factors, while opportunities and threats cover a wider context or environment in which the entity operates.

Meanwhile, according Muatasim and Norlena (2015, 13-22) has developed TOWS as an extension of SWOT analysis to make it more applicable and reality grounded. According to (Ravanavar, Gomatesh; Charantimath 2012), TWOS matrix provides means to develop strategies based on logical combinations of factors relate to internal strengths (or weaknesses) with factors related to external opportunities (or threats). The TWOS matrix are 4 alternative business development strategies: SO (strength - opportunity), ST (strength – threats), WO (weaknesses – opportunities), and WT (weaknesses – threats).

According (Kementrian Kelautan dan Perikanan, 2015), explains strategy SO is a leverage strategy means to utilize all possible opportunities based on its internal strengths and resources. Strategy ST is quite vulnerable to external threats, it should take advantage of internal strengths to cope with threats from external environments. Strategy WO is provided with external opportunities that may be constrained by its internal weaknesses. Strategy WT is used when business is driven into a problematic situation. It aims to reduce the negative influences casted both by external threats and internal weaknesses, striving hard to get rid of this dilemma, or it would be forced to go bankrupt.

RESULTS AND DISCUSSION

There is 33 business owner taken as respondent in small to medium micro business marine fisheries processing in Bangkalan, Madura, East Java. The most respondents were women, from middle age to senior, low educated (junior and under). The types of products produced by small to medium micro business are dominated for regional food in the form of crackers, *terasi*, and *petis*. Respondents in this study mostly owners of marine processing business.

Based on the SWOT analysis, the strength of small to medium micro business of marine fisheries processing in Bangkalan, Madura, East Java on small to medium micro business profile, marketing, human resources, production and finance are: Respondents have experience in managing their business (S1); Respondents have the ability to produce competitive products in their segment (S2); Respondents produce goods based on production oriented and market oriented (S3); Production business daily (S4); Respondents run production management according to their capacity (S5); Good sales turnover (S6); The advantage is good (S7).

Someweaknesses of small to medium micro business of marine fisheries processing in Bangkalan Regency, Madura on profile of small to medium micro business business owner & condition, marketing, human resources, production, finance, and business management, among others: Respondents of adult age even elderly (W1); Respondents with low educated (W2); Sea fisheries processing only for food (W3); This small to medium micro business has not been incorporated (W4); Respondents have not marketed their products optimally (W5); Respondents have not performed well-taught management (W6); Respondents have not budgeted funds for employee development (W7); Respondents have not established clear welfare and liability policies for their employees (W8); Respondents have not used adequate technology (W9); Respondents have not run the financial administration in an orderly manner (W10); Respondents have not implemented good information system especially financial information (W11); Respondents have not managed their business with good management (W12).

The challenges faced by small to medium micro business of marine fisheries processing in Kabupaten Bangkalan, Madura, among others in the field of production, finance, and external business owner, among others: Respondents have not bank minded (T1); Respondents had never participated in the preparation of financial statements (T2); The natural situation affects production activities (T3); Respondents have not optimally utilized the small to medium micro business development programs from the government (T4).

Opportunities owned by small to medium micro business are among others in the field of human resources, production, and external business owner, among others: small to medium micro business are also supporting the improvement of the economy of the family and the community around the business location (O1); Ease of obtaining raw materials (O2); Market is not saturated (O3); There is support from competitors, the labor market, buyers, and suppliers (O4).

Evaluation of Internal business owner (EFI) and External (EFE). EFI is an analysis of the internal environment of small to medium micro business consisting of 2 variables, namely the variables of strength and weakness. EFI score = 1.789 obtained a score of weakness variables = 1.326 whose value is greater than the score of power variables = 0.463. This means that the business owner of small to finance marine fisheries processing in managing their business more have weakness than the strength. Meanwhile, EFE is an external environment analysis of small to medium micro business consisting of 2 variables that is obstacle and opportunity. EFE score = 1.827 which consists of barrier variable score = 0.944 whose value is greater than the value of opportunity score = 0.883. This means that the external conditions of marine products processing business more obstacles than the opportunities that are owned. Based on the score EFE = 1.827 greater than EFI score = 1.789, then the business owner of small to medium micro business should be more priority in overcoming and taking advantage of external business owner from internal business owner to future strategize.

To determine the business development strategy of small to medium micro business processing marine fisheries in Bangkalan district used TWOS matrix EFE and EFI which can be seen in table 1. From EFI obtained the score of weakness variables = 1.326 whose value is greater than the score of power variables = 0.463. From EFE obtained score barrier variable = 0.944 whose value is greater than the value of opportunity score = 0.883. From that fact, small to medium micro business can determine the strategy of W-T (Weaknesses - Treaths) for the future that minimizes the weakness to overcome obstacles. The similar research conducted by Iha Haryani et al (2018) explain that the model of SME's business development strategy in Gresik is S-O. Another similar research by Iha Haryani et al (2018) shows that the model of SME's business development strategy in Sumenep is S-T.

Table 2. TWOS Matrix

EFI EFE	STRENGTHS (S) S1, S2, S3, S4, S5, S6, S7.	WEAKNESSES (W) W1, W2, W3, W4, W5, W6, W7, W8, W9, W10, W11, W12
OPPORTUNIES (O) O1, O2, O3, O4	S – O Strategy Strategies that use the strengths of S1, S2, S3, S4, S5, S6, S7 to take advantage of opportunities O1, O2, O3, and O4.	W - O Strategy Strategies that minimize the weaknesses of W1, W2, W3, W4, W5, W6, W7, W8, W9, W10, W11 and W12 to tap opportunities O1, O2, O3, and O4
TREATHS (T) T1, T2, T3, T4	S – T Strategy Strategies that use the power of S1, S2, S3, S4, S5, S6, S7 to overcome obstacles T1, T2, T3, T4	W - T Strategy Strategies that minimize the weaknesses of W1, W2, W3, W4, W5, W6, W7, W8, W9, W10, W11, W12 and overcome obstacles T1, T2, T3, T4

Source : Data analysis

So the implication of SWOT analysis in this research is that the strategy of business development from the perpetrator of small to medium micro business of marine fisheries processing in Bangkalan Regency, Madura is W-T strategy.

CONCLUSIONS & ACKNOWLEDGEMENTS

The design of small to medium micro business development strategy for ocean fishery production in Bangkalan District is W-T (Weaknesses Threats), strategy that is to improve the internal capability of business to take advantage of opportunities. Strategy to minimize internal weakness of effort such as involving family member or young relative, giving employee support to school again, innovation of marine fisheries processing not only for food, small to medium micro business legal entity, optimize product marketing, increase management tbsp, budgeting for employee development, create welfare policy and clear obligation for its employees, gradually use adequate technology, improve financial administration with orderly, apply a good information system especially financial information, and improve manage its business with good management. The strategy to overcome the obstacles is to change the behavior of business owner of small to medium micro business to bank minded through banking socialization, participate in preparing financial report preparation, prepare for natural situation, utilize coaching program from government, state-owned enterprises, college or other parties who have concerns about small to medium micro business.

The business owner of small to medium micro business processing marine fisheries in Bangkalan regency need to improve their ability in the field of entrepreneurship, business management, mastery of technology and information, and innovation. The business owner of small to medium micro business need to involve the younger generation, prioritize the education of employees, and seek legal entity of the business. Small to medium micro business business owner need to find information to develop businesses about marketing access, market network, partners, raw materials, capital, natural conditions, as well as programs for medium small micro business improvement. The business owner of small to medium micro business pay more attention to external fbusiness owner rather than internal business owner to develop their business.

For the government, small to medium micro business, universities or other parties who have an interest in improving small to medium micro business, especially of marine fisheries processing: Training is required for entrepreneurship improvement, business management, technological mastery, and innovation; Required support in the form of market expansion, addition of partners and capital, equipment assistance, and supervision; It needs support in the form of ease of transportation, banking, e-commerce development, ease of business permit, and activities that can improve small to medium micro business productivity and regional competitiveness such as fisheries-eating activity, small to medium micro business gallery, complete data on small to medium micro business, prevention of marine pollution; Motivate the young generation to entrepreneurship by supporting the creation movement of young entrepreneurs based on local resources; Supporting the progress of tourism to develop small to medium micro business market; Support the maintenance of natural resources, especially the sea.

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Harimurti Wulandjani
Faculty of Economics and Business Universitas Pancasila, Jakarta, Indonesia
Jalan Srengseng Sawah, Jagakarsa, Jakarta selatan 12640
Email: harimurtiwulandjani@univpancasila.ac.id

Iha Haryani Hatta
Faculty of Economics and Business Universitas Pancasila, Jakarta, Indonesia
Jalan Srengseng Sawah, Jagakarsa, Jakarta selatan 12640
Email: iha.haryani@yahoo.com