



Strategy Analysis Of SMEs Business Development (Case Study SMEs of Goat on Junggo Village Subdistrict Prigen, Pasuruan District, East Java Province, Indonesia)

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ABSTRACT

The purpose of this study was to identify internal and external factors of SMEs of Junggo Village Goat, to analyze the strengths, weaknesses, opportunities and threats faced by Junggo Goat Village SMEs, to formulate a business development strategy that should be done of SMEs of Goat Village Junggo . This research uses participatory action research (PAR) approach to data collection and processing. The data obtained in the form of primary data and secondary data. Based on the results of SWOT matrix analysis, there are several alternative strategies such as increasing the number of permanent customers, increasing sales capacity, increasing production capacity, promoting, performing financial and administration recording system, conducting market research and development, providing quality goats, increasing synergism and partnership, provide supplementary food and preventive medicine and conduct comparative studies.

Keywords: SMEs, Promotion, SWOT

INTRODUCTION

Small and Medium Enterprises (SMEs) generally have advantages in utilizing local and labor-intensive natural resources (SDA), such as food crops, plantations, livestock, fisheries, trade, and restaurants. Agricultural, livestock, forestry, and fishery sectors are business groups that contribute significantly to the structure of GDP and the sector is dominated by small-scale business groups. Development of SMEs in Pasuruan consider the potential of local natural resources owned, one of which is a goat.

One Small and Medium Enterprises (SME) engaged in the business of buying goat is SMEs Goat of Village junggo , District Prigen Pasuruan. Data showing SMEs Goat of Village Junggo has the potential to develop, among others, the number of goats in the district. Pasuruan in 2015 amounted to 120,255 heads. With many goat breeders both



individuals and groups and large traders who have long been involved in this business show that competition in the livestock industry and the sale and purchase of goats is very tight.

The objectives of the research to be achieved are: To explore the opportunities, threats, strengths and weaknesses that are being experienced by SMEs Goat Junggo Village. To formulate a business development strategy undertaken by Junggo Goat Village SMEs.

LITERATUR REVIEW

Capra aegagrus

The goats, including small ruminants horned, have long cultivated humans approximately 8000 to 9000 years ago. In the wild, wild goats live in groups of five to twenty. In its nomadic search for food, this goat group is led by the oldest female goat, the goat serves as the security guard of the entourage, the active time foraging day and night, the main food is grasses and foliage (Devendra, 2000). Goats are very important animals in subsistence agriculture because they are able to adapt and defend themselves from dry environments. Goats including versatile animals that can produce milk, meat, skin, feathers and fertilizers (Devendra, 2002). In Indonesia the type of goat is generally known by the name of goat nuts are kept for beef cattle as meat producers. In addition there are other local goats such as Goat Gembrong, Kosta Goat, Jawarandu Goat and Bligon.

Small Medium Enterprise(SME)

Discussion of SMEs includes industry and trade business. The definition of business includes: at least two aspects items, namely the aspect of labor absorption and business grouping aspects in terms of the amount of labor absorbed in the group or business group (Partomo and Soejoedono, 2010). Department of Cooperative Micro



Small Medium Enterprises (KUMKM, 2010) defines Small Business as economic activities of the people who meet the following criteria: (1) Have net worth of Rp 200.000.000 (two hundred million rupiah), excluding land and building of business place . (2) Has an annual sales turnover of at most Rp1,000,000,000 (one billion rupiah). (3) Owned by citizens of the State of Indonesia. (4) Stand alone, not a subsidiary or branch of a company owned, controlled or affiliated directly or indirectly with medium or large-scale business. (5) In the form of a sole proprietorship, a non-legal entity, or a legal entity (including cooperatives). Small industries have a total assets of Rp 600,000,000, including houses and land occupied with a workforce of under 250 people (Suhendar, 2012). According to Law No. 9 of 1995 concerning small businesses, the criteria are viewed in terms of financial and capital owned, namely: Having a net worth of at most Rp 200 million (excluding land and building of business premises) has a maximum sales of Rp 1 billion / year. SMEs of trading is a SMEs that sells products of business or products of others who have been given added value (Alimudin, 2013).

Participatory Action Research (PAR)

Etymologically the word participation comes from Participatie (Dutch) and Participation (English) which means to participate. The terminology of participation is the attachment of a person in a process of activity on a voluntary basis and on his own willingness without the element of coercion (Wijaya, 2004). Participatory Action Research (PAR) the more of a activist approach in research methods used to strengthen the local community or represented by involving and encouraging people or individuals to identify potential and existing problems in their village, community or business (Basuno, 2005). So that community, group or individual take initiative to take action of solving its own problem (Alimudin & Sasono, 2015).



Strategy Analysis

Strategy analysis is carried out by identifying the influence of political, economic, socio-cultural, demographic, and technological aspects. Then conduct a competition analysis by identifying the five competitive forces in the industry where the company is moving, ie newcomer threats, substitution product threats, bargaining bargaining power, supplier bargaining power, and competition among companies. The results of the analysis will produce a list of opportunities and threats. Meanwhile, to analyze the internal factors are done to the strengths and weaknesses of the company. Analyzer used is: SWOT Matrix (Strengths, Weakneses, Opportunities dan Threats) (Alimudin, 2015; Alimudin & Yoga, n.d.; David, 2006; Freddy Rangkuti, 2014).

RESEARCH METHODOLOGY

Data and Data Sources

In this study using primary data and secondary data that are qualitative. Primary data was obtained through interview and questionnaire filling by owner and manager of Junggo Goat Village Goat and direct observation in the field. While the secondary data obtained from library materials and relevant literature

Sample

In this study the existing population of owners and labor is 6 people. Then taken 4 people into the sample who became respondents. Existing sample including expert judgment category, they are considered to be representative of Junggo Village Goat Goat. Two more employees were not included as respondents because they were not so focused on the management of Junggo Goat Village SMEs, so that four people who



became respondents were considered to represent the entire population in this Junggo Goat Village SMEs.

Method of collecting data

The process of collecting data in this research using approach method Participatory Action Research (PAR), through several stages of pre-condition stage, data collection stage and data validation stage.

Data analysis

To generate and obtain accurate and objective data in accordance with what is the purpose in this study, the data analysis used is a qualitative data analysis technique by means of context analysis from literature review and statement analysis from interview result from informant. In conducting the data analysis the researcher refers to several stages consisting of several stages, among others: The collection of information through interviews of key informants are compatible to the research and then direct observation to the field to support the research conducted in order to obtain the expected source of data. Data reductions are the selection process, the focus on simplification, the transformation of rough data arising from field notes during research.

RESULTS AND DISCUSSION

Environmental Analysis of Junggo Goat Village SMEs

Environmental analysis is needed in order to assess the environment of Junggo Goat Village SMEs as a whole, which includes external and internal factors that can influence the development and progress of SMEs in achieving the established goals. Identification of Opportunities, Threats, Strengths and Weaknesses of Goat of Junggo Village Goat



Based on the results of external environmental analysis conducted then obtained opportunities and threats faced by Junggo village goat goat. These opportunities and threats come from the macro environment, the micro environment, and the industrial environment. While based on the internal analysis obtained strengths and weaknesses. These strengths and weaknesses come from functional SMEs in the form of human resources, production and operations, finance and marketing.

Analysis of External Factors

Analysis of external factors aims to determine trends and events that are beyond the control of a business. The analysis focuses on the key factors posed by threats and opportunities for a business, making it easier for management to determine strategies for seizing opportunities and avoiding threats. In this active participatory approach, the analysis was carried out jointly with the owner and manager of Junggo Goat Village SME, although in reality there was a different point of view in analyzing a certain factor, but it could still be compromised by bringing together its midpoint.

Opportunities

The existence of policy support from the local government of Pasuruan Regency that encourages the development of SMEs, especially for agriculture and livestock sector using local raw materials is an opportunity that is captured by SMEs to expand their business, in terms of access to capital development business development, or the ease of business licensing. For easy availability of raw materials are also quite abundant because the Regional Government encourage farmers to cultivate goats as a secondary activity to support the family economy. In addition, there is a strategic plan for 2015-2019 from the Ministry of Small and Medium Enterprises Cooperation (KUMKM) that wants to develop small and medium enterprises (SMEs) with efforts to improve existing human resources capacity, increase and expand access and source of capital either bank or non bank.

Threat



The emergence of new competition in the business of buying and selling goats is a business reality that must be addressed appropriately. In the case of government policy approving ASEAN Economic Community Trade Agreement (MEA) more perceived as a threat by Junggo Goat Village SME, the dominance of large companies that have more capital access and market information can be a serious threat to the development of SMEs.

Analysis of Internal Environmental Factors

Strength

SMEs of Goat of Village junggo is one of the SMEs supplying goat meat in Prigen and Surabaya. In the production and operation factors of Junggo Goat Village SMEs have the strengths, among others, is the ability to provide goats with a variety of quality in accordance with consumer demand, have the ability to supply goats regularly so that the availability of goods in the customer is always awake. For the needs of the feed has been met both in terms of quantity or quality, the condition of the cage is good enough to support the health of livestock is always well preserved. Marketing SME Goats is quite effective, there are fixed customers namely CV. Abadi Adi Lestari becomes its own advantages possessed by SMEs, this can not be separated from the good relationship that always dijaga by goat goat either with the customers or business partners that is fellow goat traders.

Weakness

Human resources factor, some goat's SME workforce have low education level. Two people did not pass primary school, the owner graduated from junior high school, and the other graduated from high school. For the financial factor is very visible once the weakness. The absence of recording transactions, or financial statements make it difficult for internal or external parties in the assessment. Assessment is usually seen



from the existing financial accountability, so that if SMEs need capital from third parties will be quite difficult to fulfill, while the capital itself is very limited.

Production and Operation

The types and quality of goats that goat's SMEs get from various suppliers is very diverse, there are good and there are also low quality. Often the goats that SMEs acquire from farmer farmers are sick or underweight, or very dirty and dirty appearance, then by the manager, the goats are kept, treated when there is sickness, treatment, bathing, cutting of their nails, and fattened by giving regular feed. So in about 3 weeks the goat condition changes for the better and can be resold at a higher price. In the production process, all processes are done manually because there is no need machine to assist the production process.

Human Resources

Human Resources of SMEs is an asset that became one of the success factors in running the business. The workforce in SMEs Junggo Goat village amounts to 4 people, with the allocation of different amounts in each section. Based on the last educational background, SME Workforce has diverse backgrounds, ranging from non-primary school to high school.

Finance

The financial recording system in SMEs of Goat of Junggo Village initially did not exist, although there was still very simple and did not use a standard accounting system. Any outgoing and incoming transactions of money are not recorded in the financial books, sometimes the records are small torn pieces in cigarette packets and are not immediately transferred to the record books. Exit and goat entry data begin to be recorded in September 2016, previously unrecorded historical data.

Marketing

Marketing is the end of the business chain of SME. From effective marketing benefits will be gained. In the marketing system there are marketing models that can be



chosen by the company as a strategy to reach the market as much as possible. The marketing model undertaken by Junggo Goat Village SMEs by directly sending goat orders to its target consumers or customers, whether individuals or institutions. For the needs of traditional markets and individual incidental consumers or customers usually come directly to the place so that the existing marketing chain is relatively short. At the time of Idul Adha, marketing directly by setting up a tent on the side of the highway and offering to relatives or people known.

SWOT Matrix Analysis

SWOT matrix analysis is done by comparing systematically the results of strengths and weaknesses of the internal environment with the opportunities and threats of the external environment measurably to produce appropriate business development strategies.

S-O Strategy

The SO strategy is a strategy that uses internal strengths to take advantage of external opportunities to benefit SMEs. The alternatives of SO strategy are as follows: (a) Increasing the number of permanent customers, by utilizing internal strength in the form of ability to meet demand in accordance with the needs of consumers, able to maintain continuity to meet existing demand, already have a fixed customer but still few in number, and the establishment of good relationships with all business partners can be a capital to take advantage of the existing opportunities of good relations with customers, by utilizing existing trust can be upgraded to a regular customer of Junggo Goat Village Goat. (b) Increasing the capacity of sales, the existence of the strength factor in the form of feed demand available abundant in nature can be used to exploit the existing opportunities that is with the improving Indonesian economic conditions followed by increasing purchasing power, and increasing population means to increase market share, this opportunity can be taken by SME Kambing Desa Junggo one of them



by increasing the sales capacity. (c) Increase the production capacity, the strength of SMEs in the form of regulation factors that have been done well, have skilled workers experienced and have a loyalty and high motivation, and maintain good relations with all workers and opportunities in the form of good relations factors with suppliers will facilitate SMEs Kambing of Junggo Village increase production capacity because of the supporting factors already exist.

W-O Strategy

The W-O strategy is a strategy that improves internal weakness by taking advantage of external opportunities to gain profit for SMEs. As for some alternative WO strategies are generated as follows: (a) Promoting, by promoting more aggressively, Goat SMEs of junggo village can overcome the weakness of the less strategic place because the location is quite far from the main road, also the weakness has not done aggressively. So with the promotion will be able to take advantage of opportunities such as religious social activities such as the spirit to sacrifice and do aqiqah. Not only become a spectator but can be a player who is able to take the opportunities that exist. (b) Performing a system of financial and administrative records, the absence of an existing financial or administrative record system is a major weakness that must be addressed immediately. By doing a good record will be known in writing whether the costs incurred by SMEs are efficient, and also can know what cost items are inefficient so that the margin of Junggo Village Goat Goat can be improved. (c) Conducting market research and development, having only one fixed customer, has its own disadvantages. From the researcher's point of view this can lead to the power of determining the price



to the customer is relatively weak, and if the customer has a problem the impact will also be felt by the Goat SMEs at Junggo Village. Therefore it is necessary to do research and market development to take advantage of existing opportunities.

S-T Strategy

The ST strategy is a strategy that uses the power of SMEs to avoid or reduce the impact of external threats. Some alternative ST strategies include: (a) Providing quality goats, the threats posed by weather and anthrax, the increasing number of new competitors in the market, and the threat of reduced margins due to bargaining power of both buyers and suppliers can be avoided providing goats quality, whether it is resistant to disease, a strong appearance, healthy and clean, so it has a competitive advantage from other SME's goat products. The strategy is supported by using the strengths possessed by the SMEs, namely the ability to sell goats in accordance with consumer demand, the availability of abundant feed and good livestock health, and supported by the ability of human resources is a factor of skilled labor force and skilled, experienced, have loyalty and high motivation. (b) Increasing synergism and partnership with others, the emergence of competing impacts of ASEAN economic community agreements (MEA) approved by the government will facilitate the entry of goats from abroad to Indonesia, and will certainly increase the number of new players in the national goat market. The threat from within the country in the form of dominance of large companies, or negative stigma of goat meat will further threaten the existence of Goat SMEs of Junggo Village. Therefore, it is necessary to cooperate with other parties by increasing synergism and partnership, because all can not be done alone by SMEs, good relationship with all parties need to be improved again, so as not to happen unhealthy competition between SMEs or existing companies.

W-T Strategy



WT strategy is a strategy that reduces internal weakness and avoids external threats. Some of the WT's alternative strategies are: (a) Providing supplemental food and preventive medicine, The threat of disease caused by high rainfall in the Prigen area and the endemic antaraks disease is a serious threat to be wary of. While the weaknesses that exist in the internal SMEs is not to provide additional food and medicine prevent disease in farm animals. By providing additional feeding and preventive medicine, threats as well as internal weaknesses can be overcome. (b) Conducting a comparative study to other breeders / SMEs, to be more advanced we must always learn, be it from personal experience and experience and knowledge from other parties. For that required comparative studies to SMEs / other companies that have been advanced, so that SMEs Goats in Junggo Village can learn many things from them. Later something useful from SMEs / other companies can be applied also to SMEs Goats in Junggo Village.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The strategic factor of the internal strength of goat SMEs in Junggo Prigen Village, Pasuruan District, East Java Province is the ability to sell goats according to the needs of consumers, the ability to supply goats in a sustainable manner, Feed needs are available abundant, Good livestock. health, cage arrangement has done well, skilled enough worker, experienced, have high loyalty and motivation, Have good relationship with all workforce, Have a fixed customer, establish good relationship with all business partners. While the weakness of SMEs Goat in Junggo village, Prigen regency, Pasuruan regency, East Java province has not provided additional feed, not yet providing medicine to prevent disease, Knowledge of market and cultivation is limited, education level is still low, Recording system None, Strength to price very weak



because it depends on one market / customer, the impact experienced by SME if market / customer experience problem, not done aggressively, and location of effort less. strategic.

The strategic factor of goat ladies' opportunity in Junggo Prigen Village Pasuruan Regency, East Java Province is the Government of Pasuruan District encourages the development of goat SMEs in junggo prigen village, which is in line with the program of KUMKM Strategy Department in draft strategy 2015-2019 have program of human resource improvement of SME , Increased Indonesian economic condition followed by increasing people's purchasing power, increasing religious social activity, increasing population, increasing ease and efficiency. from production costs, good relationships with customers, and good relationships with suppliers. While the threat of SMEs in Junggo Prigen village of Pasuruan Regency, East Java Province is ASEAN Economic Community Trade Agreement (MEA), dominance of big company, negative stigma to goat meat, weather and anthrax disease, Increasing number of new competitor. on the market, Changes in public consumption, Decrease in margins, and supply uncertainty from supplier farmers.

Recommendation

In an effort to develop its business, the goat's SME in Junggo village must be able to overcome its internal weakness. The weakness is the absence of financial and administrative records must be addressed by starting to make a neat and orderly financial records, following the usual accounting rules, so the calculation is feasible or not a goat buying and selling business conducted SMEs Goats are really accountable, clearly from the existing financial data. Began promotions by using leaflets, brochures, leaflets, famplet, or other promotional media, so that more prospective customers who know the existence of goat's SMEs in the Village Junggo.



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