

Determination of Micro, Small and Medium Enterprises (MSMEs) Development Strategy Based on SWOT Analysis in Strategy Management

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Abstract: *This research aims to elucidate and comprehend the strategies employed by Micro, Small, and Medium Enterprises (MSMEs) in their business development based on SWOT analysis in Strategic Management. The research is conducted using an interpretative and phenomenological approach. Data collection techniques involve interviews and documentation. The research findings indicate that the application of SWOT analysis in business development can be utilized to formulate marketing strategies, thereby increasing sales and fostering business growth in both the present and the future. Furthermore, the use of social media in the marketing process enables the product to gain recognition among a broader audience, leading to an expanded market share. The implemented SWOT matrix has generated alternative strategies such as SO, WO, ST, and WT, which can be implemented within the Company to address weaknesses, leverage external opportunities, and capitalize on the Company's strengths to mitigate or counter the impact of external threats.*

Keywords: development strategy, SWOT analysis, MSMEs, strategy

INTRODUCTION

The Ministry of Cooperation, Small and Medium Enterprises (KUMKM) reported that in 2018, Indonesia had approximately 64.2 million UMKM actors, making up almost all of the country's entrepreneurs. UMKM's workforce totaled 117 million individuals, constituting 97% of the global labor force engaged in business enterprises. The UMKM sector contributed 61.1% to the national economy (PDB), while large enterprises contributed the remaining 38.9%, representing a mere 5,550 or 0.01% of the total number of enterprises. The dominant force in the UMKM sector was the micro-

Publication of the European Centre for Research Training and Development-UK enterprises, making up 98.68% of the total, with an employment absorption rate of around 89%. Despite this, their contribution to the GDP was relatively lower, at approximately 37.8%.

Based on the aforementioned data, Indonesia possesses a strong potential in its national economic foundation, primarily due to the large number of UMKMs, especially micro-enterprises, and their significant labor force absorption capacity. Efforts by the government and entrepreneurs to elevate micro-enterprises into burgeoning medium-sized enterprises have proven effective, demonstrating resilience in the face of the current economic crisis. Moreover, small and medium-sized micro-enterprises engage in rapid transaction turnovers, employ domestic production methods, and cater to the primary needs of the community, thereby contributing to the overall national income.

However, UMKMs also encounter significant challenges, including a lack of business capital and investment, deficient marketing, limited knowledge, poor management and human resources, an inability to create business plans and budgets, and low technological capabilities. These obstacles can impede the growth of UMKMs, resulting in many of them being unable to sustain their operations.

UMKMs require strategic steps that entrepreneurs to ensure their sustainability, particularly in meeting customer demands. This is highlighted in the research of Tjoe and Sarjono (2010). Analyzing both the internal and external environments is crucial for devising an effective business strategy. The evaluation of opportunities and threats is an integral aspect of this process. While each UMKM possesses distinctive characteristics, understanding these aspects both theoretically and practically is imperative. Opportunities represent external conditions that impact the business. UMKMs often encounter external challenges such as evolving competition, technological advancements that could lead to new prospects or obsolescence, and other external factors that might jeopardize their progress.

Internally, UMKM entrepreneurs face numerous challenges. Many of them lack legal certification, possess a simplistic organizational structure, seldom maintain financial reports, and often lack a clear business plan and model. Additionally, UMKM entrepreneurs tend to be less creative and innovative. To enhance the quality of UMKMs within the internal environment, it is crucial to establish active management leadership and strive for a competitive advantage in the market by harnessing the potential of each employee within the organization. Small and medium-sized enterprises (SMEs) must possess specific capabilities that can be developed through a learning process.

Improving the internal environment of UMKMs necessitates entrepreneurs acquiring skills such as technical skills, business management skills, and personal entrepreneurial

Publication of the European Centre for Research Training and Development-UK skills. This is essential to ensure the smooth operation of UMKM's internal management and its continual development over time.

LITERATURE/THEORETICAL UNDERPINNING

Theoretical view

The Law of the Republic of Indonesia No.20 of 2008 on UMKM defines micro and small enterprises in Article 1. It states that micro enterprises are productive businesses conducted by individuals or individual entities that meet the specific criteria outlined in the Act. On the other hand, small enterprises are independent productive economic entities operated by individuals or entities that are not subsidiaries or branches of medium or large enterprises, as defined in the Law.

According to Rudjito (2003), small and medium-sized micro enterprises (UMKM) play a significant role in the Indonesian economy as they generate new employment opportunities and contribute to the country's revenue through corporate taxes. As per Kwartono (2007), UMKM represents economic activities among the people with net assets not exceeding Rp 200,000,000.00, excluding land and buildings owned by the enterprises.

UMKM, classified as small and medium-sized enterprises (SMEs), possess the capacity to enhance employment opportunities and provide economic services to the general public. They contribute to the process of income generation and economic growth, thereby promoting national stability.

The Ministry of Cooperation and SMEs has identified six key strategies for implementing cooperation and UMKM development in Indonesia. The first approach is the Environmental Development Strategy for a Conducive Business. It emphasizes the need to create a favorable business environment to enhance the competitiveness of cooperatives and micro, small, and medium-sized enterprises (MSMEs). Collaboration among various agencies is essential to establish a conducive enterprise environment, involving legislative regulations and enforcement policies. This strategy encompasses political policies, legal frameworks, macroeconomics, regional development policies, and cross-sectoral licensing, and the Ministry of Cooperation and SMEs will support the formulation of policies and regulations conducive to KUMKM growth.

The second strategy focuses on enhancing KUMKM's access to productive resources. Limited access to productive resources hampers the productivity of KUMKM. To address this issue, the government and the business community must create incentive systems that facilitate KUMKM's access to funding and financing resources, markets, technology, and information. Given the significant number of KUMKMs in Indonesia,

Publication of the European Centre for Research Training and Development-UK development efforts are channeled through a centralized approach, and the market for Business Development Services (BDS) is also being developed.

The strategy for enhancing the competitiveness and competitive power of KUMKM emphasizes entrepreneurship as a crucial factor in driving sustainable economic growth. Over the next five years, the Ministry of Cooperation and SMEs aims to foster six million new knowledge and technology-based enterprises, promoting an incentive system to support existing KUMKM enterprises and implementing a clean production policy to bolster the national economy.

Regarding the Cooperative Institutional Surveillance Strategy, the objective is to promote economic democracy in Indonesia through the establishment of effective cooperatives. This strategy involves revising the Law on Cooperatives, strengthening the administration and supervision of cooperative legal entities, providing guidance and facilitation for cooperatives, ensuring protection for these entities, and safeguarding the public against potential corporate exploitation. The goal is to foster 70,000 high-quality cooperative units that can serve over 20 million members.

Empowering micro-enterprises, which represent the majority (96%) of enterprises in Indonesia, is a critical strategy. These enterprises often exhibit characteristics of low income and are frequently associated with impoverished families. Consequently, the empowerment of micro-enterprises entails creating a specialized plan that involves establishing institutional frameworks for micro-enterprises, developing micro-finance institutions, and cultivating rural industries.

Furthermore, strategies to enhance synergy and public participation in economic development are essential components of economic democracy. These strategies focus on increased public engagement in the planning, execution, and evaluation of KUMKM development. They also emphasize building the capacity of institutions and the business community to participate in KOMKM development and fostering institutional development.

SWOT analysis

SWOT analysis is extensively utilized by companies and government agencies as it offers a fundamental approach to resolving conflicts within an organization. It helps to identify an organization's strengths and weaknesses, enabling the establishment of realistic goals and subsequent actions.

According to Fredi Rangkuti (2004:18), SWOT analysis involves a comprehensive identification of various factors that inform business strategy. This analysis seeks to

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optimize strengths and opportunities while minimizing weaknesses and threats. Strategic decision-making processes are intrinsically linked to the company's mission, objectives, strategies, and policies. Therefore, strategic planning should thoroughly consider the strengths, weaknesses, opportunities, and threats associated with corporate strategy.

SWOT analysis compares external factors, such as opportunities and threats, with internal factors, such as strengths and weaknesses. The elements of SWOT are Strengths, Weaknesses, Opportunities, and Threats, encompassing both external and internal factors. According to Irham Fahmi (2013:260), to conduct a comprehensive SWOT analysis, it is essential to consider external and internal factors as crucial components:

External factors, which influence the formation of opportunities and threats (O and T), pertain to occurrences outside the company that impact the decision-making processes. These encompass macro-business environments, economics, politics, law, technology, population, and social culture.

Internal factors, which influence the identification of strengths and weaknesses (S and W), encompass the conditions existing within the company, thereby influencing decision-making. These internal factors include various functional management aspects such as marketing, finance, operations, human resources, research and development, management information systems, and corporate culture.

In SWOT analysis, opportunities, threats, and external strengths are compared to internal strengths and weaknesses. Internal factors are integrated into a matrix known as the Internal Factor Analysis Summary (IFAS) or External Strategic Factor Analysis Summary (EFAS). Subsequently, the SWOT matrix, a quantitative model, is employed to formulate the competitive strategy of a company.

Companies must comprehend their planned actions and explore strategic options or alternatives to ascertain their future trajectory. In the face of challenges, companies need to be ready to determine their course of action and how they can enhance value for customers and shareholders. Strategic intent is a declaration made regarding a company's business concept, emphasizing its strategic direction. To bridge any existing gaps, the development of skills or competencies known as core competencies is essential. With this strategic focus, it is anticipated that core competencies will serve as key factors for the company's success.



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Development or
growth gaps

weakness

Strengths

Liquidation
Challenge

Change direction or be
verified to increase the
advantage

Threats

MSME development strategies include the Product Development Strategy, which involves modifying an existing product or creating a new one associated with the current offering. This enables the marketing of the new or modified product to existing customers through established marketing channels, with a key emphasis on customer satisfaction. Moreover, this strategy involves investigating the impact of the product's life cycle through ongoing product development efforts.

Another crucial strategy is the Innovation Strategy, essential for both industrial and consumer products. Given the constant anticipation of changes and advancements in the products being offered, companies consistently require innovative strategies to adapt and meet evolving market demands.

METHODOLOGY

Research Type

The approach used in this research is a qualitative research approach that employs qualitative research methods aimed at cultivating a sensitivity to the issues at hand, elucidating the realities associated with grounded theory, and fostering an understanding of one or more phenomena encountered.

Research Location

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The location of this research is Sasak Aren Lombok Kopang. The researchers selected this location due to the alignment of the research problem formula with the issues present in this area. Sasak Aren Lombok exhibits distinct characteristics that align with the research problem formula. Additionally, the researchers possess a deeper understanding of the characteristics of UMKM in Sasak Aren Lombok compared to other UMKMs. The location is also convenient for the researchers in terms of energy, funding, and time efficiency.

Data collection techniques

In order to obtain valid data for this study, it was necessary to determine appropriate data collection techniques. In this case, the researchers employed the following methods:

- a) Observation technique: This involved systematic observation and recording of symptoms manifested by the object of research. Observation was conducted both directly, with the observer present alongside the investigated object, and indirectly, involving the examination of events not directly witnessed.
- b) Interview: Esterberg defines an interview as a meeting between two individuals to exchange information and ideas through a question-and-answer format, allowing the construction of meaning within a particular topic.
- c) Documentation: This method involved the recording of past events in the form of written records, artistic representations, or monumental works created by individuals.

Data analysis techniques

Data analysis techniques include the following: Observation, which is a data-gathering technique where researchers directly observe the object of study to closely examine the activities. An interview is an oral question-and-answer session used to acquire information verbally. Recording involves the process of capturing a voice; typically, this is done directly. Data reduction is a cognitive process that demands high intelligence and a profound understanding, involving the synthesis of information, selection of key elements, and a focus on crucial sought-after information. Data classification involves the categorization of data based on various aspects, such as the data source, collection method, time of collection, type, and nature of data.

RESULTS

Profile of UMKM Sasak Aren Lombok

On the island of Lombok, there are industrial forests. One aspect that requires improvement is the wooden forest, which includes the nira tree traditionally used for making sugar and sweet treats. A small industry known as Sasak Aren Lombok, specializing in food and beverage products, was established by Mother Winarti in 2017.

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Sasak Aren Lombok is situated on Road Mandalika No.7, in the Kopang Rembiga district of Kopang.

The range of products includes original aren sweet, ginger aren, original instant sweet, ginger sugar aren, coffee sugar aren, and the sugar palate aren. These products are a result of collaboration with 5 villages, contributing to the creation of a diverse range of Aren-based products. These include sugar aren sourced from Aik Bual, coffee from Aik Berik, serbat from Slang Are, tea pala from Mantal, and tea bowl from Montong Gading. The pricing strategy for these products involves packaging 100-gram units that can be used 10 times and sold at a price of 10,000, with a retail price of 22,000. These products are available at two stores, namely Sasaku and Shop By-By, located in the North Lombok district.

UMKM Sasak Aren has a community involved in the production of its products, comprising a group of local farmers dedicated to cultivating sugar aren. This community was established by the founder of Lombok's Sasak Aren, aiming to support the residents of Aik Bual, a village in Central Lombok, in enhancing their livelihoods. This group of women farmers is responsible for producing the raw materials used in the finished products, which are then prepared for packaging. The direct packaging process is overseen by the owner of Sasak Aren.

The product development strategy employed utilizes a business-to-business model due to a lack of manpower for processing raw materials into finished goods. The owner engages the local community surrounding the village in the production of aren, with the community processing it into flour powder. The owner personally oversees the packaging of the flour powder into 100-gram units. Consumers only need to add water to dissolve the Serbut Aren, making it a convenient and easily consumable product.

Analysis of the Internal Environment

The company's internal environment encompasses its strengths and weaknesses, focusing on management, marketing, and development as key components. An advantage of this business is its product, which is rich in benefits, natural, preservative-free, and enjoys a lack of direct competitors. Additionally, the product has received certification from BPOM, enhancing its market credibility. The attractive packaging further bolsters its market position, along with its extended shelf life of up to two years. Conversely, the absence of social media marketing represents a weakness, limiting its ability to access wider markets. Presently, marketing efforts are primarily conducted through manual and verbal means.

In the internal environment of Sasak Aren Lombok, several factors play a crucial role. Human resources employed by the company are predominantly drawn from the local community of Aik Bual village, with recruitment often directly communicated by the

Publication of the European Centre for Research Training and Development-UK owner. The objective of this approach is to foster specific character traits in potential employees.

”In my endeavour, I employ the community of the village of aik bual only, they are already experts in processing aren from the process of taking water nira until its product is made.”

Regarding marketing, due to the lack of physical stores or branches, customers can only purchase products at the production site or via phone orders. Sasak Aren Lombok's marketing efforts rely on direct participation in local events or bazaars organized by the regional authorities. The current manual marketing strategy has limited the company's market share growth.

“I market the product still manually, i.e. through oral communication and the bazaar-bazaar events held by the local government. There I offer my product.”

Production involves the use of organic ingredients to create health-friendly beverages, which can be purchased directly or ordered via telephone. The owner employs individuals from the local area for the production process, and although the production process remains manual, some tools are used for packaging. The production's primary objective is to meet customers' needs and desires at competitive prices. Capital resources primarily rely on the owner's personal funds. As the business expands, revenue generated from sales is reinvested to procure equipment and raw materials.

“I manufacture this product because of the good organic material for Health at a fairly cheap price, the packaging is also done by myself, my business capital is still using private capital and funding from the local area.”

Analysis of the external environment

External factors give rise to opportunities and threats, directing and impeding organizational activities and production processes, respectively. The industrial environment is one such external factor. A notable opportunity in this business lies in its branding of natural, health-beneficial products produced through traditional methods. Many foreign tourists express interest in witnessing the production process firsthand, leading to effective word-of-mouth promotion and heightened customer interest. The product has gained recognition, being served as a welcome drink by Egypt Air in Egypt and presented at the Asia Pacific Geoparks Network (APGN) Symposium 2019 at the Lombok Raya Hotel by China.

Due to the substantial impact of weather conditions, the business still faces challenges in scaling up production. Rainwater mixing with the product during rainfall can result

Publication of the European Centre for Research Training and Development-UK in product failure, and the water utilized in the production process must meet stringent clarity standards. Employing a business-to-business management strategy, the company markets its products through local stores such as By-By, as well as at bazaars and events organized by the local government, where the product was initially introduced to the public. Moreover, efforts are being made to promote the product and enhance its visibility both within and beyond the region.

The company's external environment comprises various influential factors, including the impact of economic and political conditions. Economic conditions play a vital role in determining social and political awareness, as political forces often steer economic systems. Changes in the economic system can consequently lead to shifts in social and political awareness, while changes in political power may also drive alterations in economic policies. The economic environment significantly influences the company's trajectory, with favorable economic conditions propelling the company forward under professional management, and economic crises posing a risk of bankruptcy.

Globalization also exerts a profound influence, as national business activities are shaped by global corporations operating across the world. Strategic planners must possess a comprehensive understanding of the operations and behaviors of large multinational corporations (MNCs) and transnational corporations (TNCs) on a global scale.

Additionally, the social environment plays a crucial role in shaping corporate strategy. Strategic planners need to acknowledge and comprehend the nuances of the social structure within which the company operates. Different types of social environments, such as closed agri-social systems, open agri-social systems, and social systems of trade and manufacturing, have varying impacts on businesses. Companies operating within closed agricultural environments may encounter challenges in sourcing labor, while those in open agricultural settings are more likely to find labor easily due to familiarity with trade and household industries.

Cultural influence is a crucial aspect, as social groups are shaped by cultural perspectives and behaviors that effectively steer their objectives. Three main social group characteristics include the mythical character, which relies on the forces of nature; the autological character, representing individuals who are somewhat familiar with the thoughts and behaviors of others but remain relatively closed off; and the functional character, prevalent in urban societies, which emphasizes interdependence among members.

The impact of technology is significant in the realm of strategic management. Technology, as a facilitative tool, evolves based on human engagement with work practices. It originates from work practices and subsequently assists in streamlining various aspects of a company's operations. Technology can be categorized into three

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main types: simple technology, encompassing basic tools; intermediate technology, representing semi-advanced tools; and advanced technology, referring to modern and high-tech tools used in the workplace.

Corporate SWOT Indicators

Strengths include: Product quality, as the materials used originate from natural forest products and pose no harm to health. Since the inception of the company, this beverage has had distinct characteristics that guarantee its quality. Product design, as it is packaged attractively, appealing to consumers, and is durable, with a shelf life of up to two years. Company Location, allowing for easier product marketing due to its strategic location, distinct from competitors, leading to less impact from market competition.

“I make this product using ingredients from natural forests for good health. I'm also trying to pack a product attractively to attract consumers to buy my product. This product can last up to two years. My location markets this product very strategically and easily accessible by consumers.”

Weaknesses include: Marketing, as the current strategy primarily relies on word-of-mouth, resulting in limited awareness of the product. Additionally, there has been no utilization of online marketing, leading to a small market share.

“My product is still marketed manually from mouth to mouth so not a lot of people know about my product.”

Opportunities include: Product type, where the branding of a natural health-friendly product is maintained through traditional production methods. Additionally, the product has gained recognition, being served as an in-flight beverage by Egypt Air in Egypt and presented by China at the Asia Pacific Geoparks Network (APGN) Symposium 2019 at the Lombok Raya Hotel. With the rapid advancement and diversification of technology, companies have the opportunity to leverage it optimally. Technology can be categorized into three types: Simple technology, characterized by basic work tools capable of producing limited outputs.

“My endeavours have a pretty big opportunity because my endeavours are still traditionally produced and my products are good for Health. My product has also been recognized as a drink in flight by Egypt Air in Egypt and presented by China at the Asia Pacific Geoparks Network (APGN) Symposium 2019 at the Lombok Raya Hotel.”

When businesses utilize simple technology tools, strategic planning should analyze the relationship between fixed and variable costs, impacting the contribution margin, operating profit, and low operating leverage levels. Media technology, denoting semi-

Publication of the European Centre for Research Training and Development-UK advanced work tools capable of generating higher outputs compared to conventional technology. In the case of advanced technology tools, strategic planning should examine the relationships between variable and fixed costs that affect the contribution margin, operating profit, and a moderate level of operating leverage.

Lastly, advanced technology refers to modern and sophisticated tools capable of producing significant outputs. Although variable costs remain low, fixed costs are high. When utilizing sophisticated tools, strategic planners should assess the relationship between variable and fixed costs, impacting the contribution margin, operating profit, and a high level of operating leverage. Furthermore, the market potential in the production area remains substantial, with an increasingly dense population indicating a promising rise in the target market.

Threat include Production weakness, The weather has had a huge impact on this business, so large-scale production can still not be done. If the weather is uncertain, the resulting water is worse. For example, if it rains, the water will mix up, which can interfere with the production process. Technology change, The rapid development of technology is also threatening the company's position. It is because companies do not use machines in their production process, resulting in less efficient production processes, and of course hinder the growth of the company.

“My product is very sensitive to the weather, the weather has a big impact on this effort. If it's raining continuously, the nira is not good. That caused the production process interrupted and also the technology that I'm using is still manual.”

Discussion

The formulation of forward-looking measures, known as strategy formulation, is aimed at developing the company's vision and mission. It is essential to consider all internal and external factors in the firm during the strategy formulation process, ensuring the creation of a cohesive strategy that ensures the company's sustainability.

To create an effective strategy, companies must integrate industry and situational analyses along with comprehensive examinations of competition. Industry analysis primarily focuses on the impact of the external environment, while situation analysis concentrates on internal influences. These analyses foster resilience and competitiveness, enabling companies to adapt to dynamic environments and deliver superior value to customers.

Upon evaluating the internal and external environment, it becomes evident that the Lombok Aren Sasak Beverage Industry is adopting a defensive strategy. This strategic choice is driven by internal weaknesses and threats faced by the company, including the absence of modern technology integration in marketing. It is imperative for the

Publication of the European Centre for Research Training and Development-UK company to address these weaknesses by implementing necessary improvements across all functions. By bolstering these aspects, the company can stimulate its growth, fortify its competitive position, and achieve optimal long-term results.

MATRIKS SWOT

<p>Internal</p>	<p>Strengths</p> <ul style="list-style-type: none"> • No competitors yet • Very affordable price • Has a variety of flavour variants combined with herbal plants • Highly strategic company location 	<p>Weakness</p> <ul style="list-style-type: none"> • The production process is still done manually using old technology • Marketing is still done manually from mouth to mouth. . • Promotion is not extensive • Has a low market share
<p>Eksternal</p> <p>Opportunities</p> <ul style="list-style-type: none"> • This product is organic and contains many benefits • Similar products not yet available in the area of production • A lot of consumer demand especially among adults • Technological advances 	<p>Strategy SO :</p> <ul style="list-style-type: none"> • Relatively cheap prices become a force to meet the needs of consumers from various sectors of society • Unique products become one of the attractive forces of society in building a successful business world because unique products have variations of different flavors. • A strategic location that will be easy to reach will help increase business success. • Marketing and promotion through online media to increase market share 	<p>Strategy WO :</p> <ul style="list-style-type: none"> • The use of new technologies is very necessary for the development of UMKM success, especially in this era the use of the new technology is very needed in the development and success of the enterprise. • Promote widely through available applications that can be used as a means of promotion in social media so that UMKM can be widely known.
<p>Threat</p> <ul style="list-style-type: none"> • It has not yet been able to produce large quantities due to weather factors that have a major influence on 	<p>Strategy ST :</p> <ul style="list-style-type: none"> • Strategic locations will be able to face competition on market share 	<p>Strategy WT :</p> <ul style="list-style-type: none"> • Maximize Human Resource performance in the production process

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<p>the quality of the water it produces.</p> <ul style="list-style-type: none"> • More and more competitors are causing the current to compete more and more. 	<ul style="list-style-type: none"> • New methods will greatly help the process of development and success of the enterprise • Innovate products with unique packaging that differs from competitors. 	<ul style="list-style-type: none"> • Do marketing intensively and consistently so that you can increase your market share. • Marketing Internet-based products such as using social media Facebook, Instagram as marketing and promotion media. • Using new technologies as well as improving the systems and marketing patterns used to increase sales value.
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The SWOT matrix that has been created yields some intriguing strategies, including SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses-Threats). Sasak Aren Lombok can utilize these strategies to foster the growth of their business in both the present and the future. Considering the current market landscape, product marketing through social media is imperative to enhance product visibility and remain competitive within the industry.

Implication to Research and Practice

These findings suggest that UMKM requires strategies that can develop products so that the Company can innovate on every product that has been made. Product marketing media is still manual, requiring widespread marketing through social media to reach a large market. The production process at UMKM is still small enough to require adequate human resources for its production process, it is important because it can increase UMKM production.

Conclusion

Based on the research and analysis conducted regarding the establishment of development strategies for UMKM (small and medium-sized enterprises) through SWOT analysis in Strategic Management, it is evident that the internal strengths of Aren Lombok outweigh its weaknesses, while the external analysis indicates that the company has more opportunities than threats. The SWOT analysis identified 4 strengths, 4 weaknesses, 4 opportunities, and 2 threats for Sasak Aren Lombok. Utilizing the resulting SWOT matrix, 12 strategies were formulated for Sasak Aren Lombok, including 4 SO, 2 WO, 3 ST, and 4 WT, which can be effectively implemented in business development and strategy formulation. Moreover, it is essential for the company to integrate industry and situational analyses along with comprehensive examinations of the competition. This integration is crucial in addressing various

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internal weaknesses and threats faced by the company, such as the current inability to leverage modern technology in marketing. Addressing these areas of improvement will inherently drive the company's growth, fortifying its competitive position, and ultimately leading to optimal long-term results.

Future Research

This study investigates the establishment of UMKM's Development Strategy based on SWOT Analysis in Strategy Management. This study can be done on other UMKMs to make comparisons. Second, this study focuses on the SWOT analysis and company strategy management. Therefore, future studies should incorporate more strategies into research. Finally, this study chose UMKM Sasak Aren Lombok and recommended future research to conduct research using quantitative research using several samples.

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