

Strategic Development Analysis of Business and Economic Empowerment Family Group (KUPEK)

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Abstract: *The study aims to discuss the development of Business and Economic Empowerment Family Group (KUPEK) for small and micro enterprises. Institution Assolahiyah in cooperation with PT Pertamina EP Asset 3 Subang Field and CARE LPPM IPB initiative to establish Business and Economic Empowerment Family Group (KUPEK) Assolahiyah. The research was conducted in Cilamaya Kulon with descriptive qualitative approach that is supported by semi-structured interviews to obtain the data used. Analysis of research data using SWOT analysis and strategy priority using AHP. Based on the research result, it is found that the development of KUPEK Assolahiyah can be done by using six strategies, i.e. (1) strategy to increased promotion and cooperation, (2) the strategy to increased ability of human resources (3) strategies to utilization of IT and social media as a medium to perform assistance, (4) strategy to train and recruit professionals to assist MSEs strategy, and (5) maintaining the quality of KUPEK products.*

Keywords: strategic development analysis, KUPEK, SWOT-AHP, small and micro businesses

1. Introduction

Rural development is one of the main points in Indonesia's development, because most Indonesians live in rural areas. According to Sunyoto (2004), one sectors as its development priority are the building in economy i.e. the efforts to eradicate poverty. Poverty was regarded as the form development problems caused by the negative impact of unbalanced economic growth, thus widening the income gap between communities as well as income gap between regions (Harahap 2006).

According to BAPPEDA Kabupaten Karawang, the percentage of poor people in Cilamaya Kulon in 2015 was 36,72 percent or 23.455 population lives. The poverty rate in Cilamaya Kulon to reflect helplessness people who could cause gap. Therefore, a proper community empowerment program is needed to assist communities increase the economy.

Community economic empowerment is strengthening the ownership of production factors, strengthening the distribution and marketing, and strengthening of the community to obtain information, knowledge and skills, to be done in multi aspects, good of the aspect of people own, and aspects its policies (Erni 2012)

Community learning center (CLC) Assolahiyah is one of nonformal educational institutions located in Cilamaya Kulon which which is under the guidance of CSR PT Pertamina EP Asset 3 Subang Field. The existence of PKBM Assolahiyah is expected to meet the learning needs for the community as well as a solution social problems in a society. The main responsibility in community development programs done by PKBM Assolahiyah and CSR PT Pertamina EP Asset 3 Subang Field is for the community to be empowered or have the power, strength or ability. Community empowerment done by PKBM Assolahiyah leads to the improvement of the community's economy, by establishing a Business and Economic Empowerment Family

Group (KUPEK).

KUPEK Assolahiyah intended for the community around PKBM Assolahiyah is expected to provide benefits both for PKBM Assolahiyah and members of KUPEK, which can increase the capacity of the poor through business skills that encourage economic improvement, and indirectly also affects the decrease in the number of children drop out For economic reasons, as well as increased employment for unemployed citizens in Cilamaya Kulon. In addition, through KUPEK Assolahiyah whose management is done with attention to local resources and potentials, which can be developed economically and support local economic development, it is expected that the poor can have, manage and develop the business skills that have been obtained.

KUPEK program aims to: (1) the improve the skills and creativity of the community in order to compete in the world of work; (2) improving the quality of MSEs by optimizing their potential; (3) creating an independent and superior society in the economic field; and (4) increasing family income through Small and Medium Enterprises (MSEs) program (Maknun 2016)

2. Literature Review

According to Glueck (1993), the strategy is defined as a broad and comprehensive plan of unity that links the company's competitive advantage with environmental challenges, and is designed to ensure that company goals are achieved. The strategy of each company will not be the same depending on the size, position of the company in the industry, the goals, the opportunities, and the resources owned by the company. The marketing strategy will determine the benefits that a company can gain (Kotler 1997). Strategic management is defined as the art and knowledge to formulate, apply, and evaluate functional decisions so that the organization can achieve its objectives (David 2013). According to Hunger and Wheelen (2000) strategy management is a set of managerial decisions and actions that determine the long-term performance of an

organization. A strategy management consists of 3 stages of the process, ie strategy formulation, strategy implementation, and strategy evaluation. Strategy formulation is an activity of developing a vision and mission, identifying organizational opportunities and threats, determining organizational strengths and weaknesses, establishing long-term goals, developing alternative strategies, and choosing specific strategies that are suitable for follow-up.

AHP (Analytical Hierarchy Process) is a systematic and excellent procedure that is suitable for the evaluation of qualitative attributes. In a study using AHP as an analytical tool, an Eigen value calculation is required which is integrated with SWOT analysis (Gorener et al 2012). According to Ching (2006), model analysis based on strengths, weaknesses, opportunities, and threats is then evaluated using the Analytic Hierarchy Process (AHP) model.

The AHP method will be applied to evaluate the SWOT factors systematically and commensurate with intensity, as well as having the ability to take those factors into account in the hierarchical structure (Kahraman et al 2007). Shahrabi et al (2007) states that the use of AHP as a substitute for other multi-criteria techniques because based on the following:

- 1) Decision-making involves both quantitative and qualitative criteria
- 2) A large number of criteria can be used
- 3) A flexible hierarchy can be built on the problem

The AHP and SWOT methods used in decision making are relatively simple methods. According to Ananda and Herath (2003), combined AHP and SWOT methods can be performed even with small samples from individuals or groups who have knowledge of the issues under study. According to Wickramasinghe and Takano (2009), the goal of applying AHP to the SWOT framework is to systematically evaluate the SWOT factor, a systematic approach that can be measured by common standards in SWOT analysis. The SWOT-AHP analysis is in principle the same as the general AHP analysis process. Step SWOT-AHP (A'WOT) as follows (Kangas et al 2001):

- 1) Conduct a SWOT analysis. In this step internal factors and external factors affecting enterprise development are identified and included in the SWOT analysis
- 2) A pairwise comparison between SWOT factors is performed in each SWOT group
- 3) Pairwise comparison between the four SWOT groups. Factors with the highest local priorities are selected from each group to represent the group
- 4) Alternative strategies in evaluation with regard to each SWOT factor as in the AHP
- 5) The global priority is calculated to obtain an alternative priority strategy in accordance with the A'WOT decision hierarchy

In hierarchy, there are 4 first level the goal to be achieved by the decision; The second level is based on the SWOT factor: strength (S), weakness (W), opportunity (O) and threat (T); The third level is based on factors included in each of the four previous levels, and finally, the fourth level is based on the strategy to be evaluated and compared (Oreski 2012).

3. Methods

The research was done in business and economic empowerment family group (KUPEK) Assolahiyah to be implemented in Pasirjaya Village, Cilamaya Kulon, Karawang. The data utilized in this study were primary and secondary data obtained through interview, questionnaire and observation. The sampling technique was determined purposively by using purposive sampling, and the selected respondents consisted a person who is regarded know the most for information expected or the person is the most influential that ease researchers in explore and collect information of an object needed (Sugioyono 2006).

The elected respondents were those who have significant contribution to the organization's development strategic. Meanwhile, the secondary data included the history and general condition of the organization, organization's missions and visions, and internal structure. The study was conducted in three months i.e. starting from December 2016 to April 2017.

SWOT Analysis

At this stage in the method, the SWOT analysis is used to identify the strengths, weaknesses, opportunities, and threats faced by the current KUPEK Assolahiyah. This analysis is based on logic that maximizes strength and opportunity, but can simultaneously minimize weaknesses and threats.

The tool used to construct strategic factors is to use the SWOT Matrix. This matrix can clearly illustrate how external opportunities and threats are tailored to their strengths and weaknesses. Not all strategies developed in the SWOT matrix are selected for implementation. Each quadrant in the SWOT matrix is a combination of internal factors (strengths and weaknesses) with external factors (opportunities and threats). The SWOT matrix is done by matching the power-threat (S-T), opportunity strength (S-O), weakness-probability (W-O), and weakness-threat (W-T), in a matrix

SWOT-AHP Method

The SWOT-AHP method is constructed by constructing a hierarchy as shown in Figure 1. SWOT-AHP is an integration between SWOT and AHP, which will generate strategic priorities that will be recommended to the institution / organization to achieve its objectives. The subfactor description is derived from the analysis of the internal environment, as well as the external environment, and the alternative strategy is derived from the result of a combination of strengths, weaknesses, opportunities, and threats with SWOT Matrix Aids (Osuna and Aranda 2007).

4. Result

4.1 Internal and external factos identification

The strategic factors that have been identified are grouped into 4 groups of factors, namely Strengths, Weaknesses, Opportunities and Threats. Opportunities and threats are identified from an internal organizational environment

analysis, where opportunities are things that can be harnessed from the organization's external environment. Strengths and weaknesses are identified from the internal environmental analysis of the organization, where strength is a positive aspect of the organization's internal environment. Internal and internal strategic factors of identified KUPEK Assolahiyah can be seen in the SWOT matrix in Table 3.

4.2 Analytical hierarchy process

The AHP method used as a tool to assist the preparation of this strategy requires the preparation of hierarchy in the process. The hierarchy in question starts from Goal, Factor Groups, Strategic Factors, and Alternative Strategies.

4.3 Pairwise comparisons

The result of comparison between the Strength, Weakness, Opportunity, and Threat group factors mentioned that the Strengthgroup factor as the most important group factor. Comparison of the importance of strategic factors to the power factor group produces a "the commitment of managers" factors as the most important Strength factor. Comparison of the importance of strategic factors to the weakness factor group produces the factor "lack of professionals and full time personnel to assist MSE" as the most important strategic factor. Comparison of the importance of strategic factors to the factors group Opportunities generate factors "information and technology developments" as the most important strategic factors. Comparison of importance level of strategic factor to threat factor group produce factor "competition in marketing of similar products" as the most important factor.

Table 2: The local priority weight of the SWOT factor

SWOT Factors	Weight Factors	SWOT Subfactors	Rating	Local Weight
Strength (S)	0,395	The commitment of managers	1	0,536
		Adequate facilities and infrastructure	2	0,309
		KUPEK already known and trusted by the local government	3	0,155
Weakness (W)	0,149	The lack of professional and full time personnel to assist UMK	1	0,401
		Irregular administrative management	3	0,241
		KUPEK product marketing personnel is still limited	2	0,358
Opportunity (O)	0,312	Government support for MSE development	1	0,466
		Support from CSR PT Pertamina EP Asset 3 Subang Field	3	0,191
		Information and technology developments	2	0,236
		HasABG-C partnerships network	4	0,107
Threat (T)	0,144	Competition in marketing of similar products	1	0,696
		The rapid transfer of technology	2	0,304

4.4 Strategy formulation using SWOT Matrix

The compilation of alternative strategies that have taken into account the strategic factors of each group of factors are formulated as in Table 3.

Table 3: SWOT matrix

Internal factors External Factors	Strength (S) 1.The commitment of managers (S1) 2.Adequate facilities and infrastructure(S2) 3.KUPEK already known and trusted by the local government (S3)	Weakness (W) 1.The lack of professional and full time personnel to assist UMK (W1) 2.KUPEK product marketing labor is still limited(W2) 3.Irregular administrative management (W3)
	OPPORTUNITY (O) 1. Utilization of the development of social media as a medium of cheap promotion (O1) 2. HasABG-C partnerships network (O2) 3.Support from CSR PT Pertamina EP Asset 3 Subang Field (O3) 4. Government support for MSE development (O4)	STRATEGY SO Increased promotion and cooperation (S1, S3, O1, O2, O3, O4)
	THREAT (T) 1.The rapid transfer of technology (T1) 2.Competition in marketing of similar products (T2)	STRATEGY ST Maintaining the quality of KUPEK products (S1, S3, T1, T2)
		STRATEGY WT Increased ability of human resources (W1, W2, W3, T1)

4.5 Strategy evaluation matrix

The five alternative strategies generated from the SWOT combination using the SWOT matrix are then analyzed by their strategic priorities. Once the factor and subfactor levels are finalized, the final step is to assign a value to each alternative strategy to determine the priority that must be prioritized or selected. The main priority of development strategy of KUPEK Assolahiyah is by increased promotion and cooperation, that is with global weight 0,266. The strategy that can be used in this strategy is to actively participate in various government-sponsored non-governmental exhibitions of UMKs and exhibitions to improve information on KUPEK programs to the wider community. The exhibition is one of the product introduction efforts that must be intensively done to expand the market. The local government already has a program for UMK actors in the form of bazaar in displaying the products. The central government also holds regional superior product exhibition event every year. It is expected that KUPEK Assolahiyah always get information about this and actively participate in

the event. The second priority is increased ability of human resources of 0,213. The third priority is the strategy of utilization of IT and social media as a medium to perform assistance of 0,200. The fourth priority is train and recruit professionals to assist MSEs strategy of 0,197. The fifth priority is maintaining the quality of KUPEK products of 0,151. Table 4 presents a priority sequence of KUPEK development strategies that can be used by KUPEK Assolahiyah.

Table 4: Priority of alternative development strategy of KUPEK Assolahiyah

Strategy	Priority Vector	Priority
Strategy to increased promotion and cooperation	0,266	I
Increased ability of human resources	0,213	II
The strategy of utilization of IT and social media as a medium to perform assistance	0,200	III
Train and recruit professionals to assist MSEs strategy	0,197	IV
Maintaining the quality of KUPEK products	0,125	V

The result of strategy priority is not a process of selecting one of the best strategies. Results of strategy priorities generated sequentially by a combination of AHP and SWOT do not have the provision of successive applying based on scores. The priority of the strategies generated in this study does not indicate a sequence of strategy execution time based on the time frame of the execution, but rather back to the stakeholder's decision when the strategy can be implemented in accordance with the capacity of the resources owned by the organization.

5. Conclusion

Based on the results of data analysis, a number of conclusions can be drawn as follow:

1. Internal and external factors affecting the development of KUPEK Assolahiyah are:
 - a. Internal factors owned by KUPEK Assolahiyah consist of strengths and weaknesses. The strength of the organization is the commitment of managers, adequate facilities and infrastructure, KUPEK already known and trusted by the local government. While the weakness of KUPEK is the lack of professional and full time personnel to assist UMK, KUPEK product marketing personnel is still limited, and irregular administrative management.
 - b. The external factors that influence the development of KUPEK Assolahiyah consist of opportunities and threats. Opportunities include: partnership network owned by KUPEK, support from CSR PT Pertamina EP Asset 3 Subang Field, government support for MSE development, and utilization of the development of social media as a medium of cheap promotion. Threats to consider by KUPEK Assolahiyah are the rapid transfer of technology from outside and competition in marketing of similar products.
2. Weighting at the factor level produces the highest weight possessed by the strength with a value of 0.395

with subfactors of commitment from the manager to the sustainability of KUPEK which has the greatest weight value. Then followed by an opportunity with a value of 0.312 with subfactors of government support for the development of MSE that have the greatest weight value, weakness with a value of 0.149 with subfaktor The lack of professional and full time personnel to assist UMK as subfactors that have the greatest weighting value in the group of weakness factors, And threats with a value of 0.144 with a subfactor of competition in marketing of similar products as the main threat to be overcome.

3. Based on the SWOT of KUPEK Assolahiyah matrix, there are five alternative strategies for organizational development in increasing the income of KUPEK members, namely (1) strategy to increased promotion and cooperation, (2) the strategy to increased ability of human resources (3) strategies to utilization of IT and social media as a medium to perform assistance, (4) strategy to train and recruit professionals to assist MSEs strategy, and (5) maintaining the quality of KUPEK products.

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