

Development Strategy Business of Sipirok Weaving Handicrafts

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Abstract

Woven craft business is an effort to preserve the culture of Indonesia and as a livelihood for some people where one of the very specific is Tenun Sipirok. But because of the lack of optimal development, it is feared will affect the prospects in the future. The purpose of this research is to know (1) income level of entrepreneur, (2) influence of internal and external environment condition to business development and (3) business development strategy. This research is descriptive conducted in District of South Tapanuli with interview method and purposive sample determination. The results showed that Sipirok Tenun business is profitable where the income Rp.54,000,000 and average production cost Rp.37,969,167 so that average income Rp.16,030,833 every month. Through SWOT analysis, the matrix value of internal factor is 2.658 and external factor is 2.650. This position belongs to the category of applying an aggressive strategy that means being in a very favorable situation or having opportunities and strength. The strategy that must be implemented is to take advantage of opportunities for profit. The study recommends employers to improve their employees' skills through training, additional capital to hire reliable employees in order to keep up with consumer demand, better management in terms of time, finances, raw material stock and better marketing effectively to be independent of certain traders. It is expected that the government will make effective training and the need for traditional markets specifically for the sale of results.

Keywords: Development business strategy.

Introduction

Development of Micro, Small and Medium Enterprises (MSMEs) is an effort in the improvement of the national economy, because most of the businesses in Indonesia are small and medium enterprises that reserve a lot of labor and utilize domestic resources. MSMEs have enormous growth potential. Production activities in developing countries are dominated by agriculture. So that the government's role is needed in the developer (Sibuea, 2016).

From a world perspective, it is recognized that MSMEs play a vital role in economic development and growth, not only in developing countries, but also in developed countries. MSMEs are very important not only because they absorb the largest number of workers compared to large enterprises, as in developing countries, but

also in many countries the contribution to the formation or growth of Gross Domestic Product is greatest than the contribution of large enterprises.

Among several Micro, Small and Medium Enterprises, weaving business has its own special characteristic compared to other MSMEs. Weaving is an Indonesian culture that persisted consistently. With the influence of certain motifs, weaving different in each region (Gultom, 2014).

One type of weaving that is quite famous in North Sumatra is woven fabric Sipirok. As a form of cultural culture Batak existence of woven cloth Sipirok must be preserved. Currently the number of woven fabrics Sipirok woven fabrics, and weaving equipment is not traded. The woven craftsmen Sipirok must make their own weaving equipment. With all the limitations of the woven fabric Sipirok in the worry lost from the list of cultural wealth of Indonesia (Wikipedia, 2014).

Based on the above, the Government of South Tapanuli Regency has established Sipirok woven fabric into an icon of South Tapanuli and through a "day must dressed in woven cloth Sipirok" program for public servants in the ranks of South Tapanuli government. Various capacity building and self-reliance programs are also continuously conducted by the government and related parties (Rohani, 2013).

In addition, efforts to empower SMEs are not spared from various problems, such as not yet optimal development of weaving business activities (Tambunan, 2009). From internal factors, labor becomes one of the difficulties faced by craftsmen. Lack of training from the local government as well as from the craftsmen themselves results in a shortage of manpower and impacts on the production of little and time consuming in the manufacturing process (Subagyo, 2008). The manpower that is owned is far from what the industry needs, for example in one industry only has 24 workers while much more is needed than that. This makes the craftsmen do not dare to accept that order exceeds its work quota. The location of the industry is also less strategic and access to craft sites is not supportive. From the path of the access protocol to be about 3 km with poor road conditions.

In the external factors, the craftsmen have difficulty in obtaining materials, not creating potential markets, lack of manpower and policies from the local government that are less supportive and needed appropriate strategies to overcome these problems. Therefore, based on the above phenomena in the view it is necessary to conduct in-depth research in the framework of business development of woven handicraft Sipirok.

Literature Review

Woven Craft Industry

Weaving is a technique in the manufacture of cloth with a principle is simple by combining the yarn in a long and transverse. The technique of tie in Batak weaving comes from the Dongson culture that flourished in the Indochina region. The real weaving fabric is a warming blanket. Weaving is one of the means of art that should be preserved as one of the Batak tribe culture (Wikipedia, 2014).

Strategy

Proposed a strategy as a tool to achieve company goals in relation to long-term goals, follow-up programs, and resource allocation priorities. Strategy is a continuous and addictive response to external opportunities and threats and internal strengths and weaknesses that can affect the organization (Rangkuti, 2008). The main goal of strategy in every activity is to achieve success. In achieving the goal of success, there are several elements of strategy that must be met. First, the goals are formulated in a simple, consistent and long-term. Second, a deep understanding

of the competitive environment. Third, objective assessment of resources and effective implementation (David, 2006).

They are three aspects of the SWOT analysis are:

(1) Global Aspect; we must know the SWOT that is related to the global aspect, which is sometimes international and often religious nuanced. This global aspect is closely related to the "Mission" and "Vision" that our company must develop.

(2) Strategic Aspect; this aspect of the Strategy is a more detailed explanation into a seemingly (usually 5 year) work plan to realize what has been formulated by the global plan above. In this strategy stage we must be able to various alternative strategies that we may be able to do to realize the global concept, keeping the SWOT in the organization.

(3) Operational Aspects; this operational plan will describe operationally and of course to the strategic plan. Operationalization of selected and determined strategies should be followed up in the form of exercises or skills to be mastered, the forms of training to be performed, what kinds of tools to prepare, as well as who the personalizes should be and so on (Ahmad Subagyo, 2008).

SWOT Analysis

Good business if the business has a good strategy also in running its business. According to Rangkuti (2009), SWOT Analysis is the identification of various factors systematically to formulate the company's strategy. This analysis is based on the logic that can maximize strength (Strengths) and opportunities (Opportunities), but can simultaneously minimize weakness (Weaknesses) and threats (Threats). The strategic decision-making process is always related to the development of mission, goals, strategies, and company policies. Thus strategic planning (strategic planner) should analyze the company's strategic factors (strengths, weaknesses, opportunities, and threats) in the current conditions (Jatmiko, 2004).

A study by Gultom (2014) on "Strategy Development of Small-scale Business Ulos Mutiara Manalu" is known that the strategy used in Mutiara Manalu weaving business according to the analysis is aggressive strategy. With alternative strategies are (1) Concentration growth strategy (market penetration) that focuses on single product / service business, that is market development. (2) Diversification strategy is one of the most popular strategies and often yields satisfactory results for the organization.

Dewi Fajar Rastiti (2014) study on "SWOT Analysis in Means of Business Development Efforts in BM Like Plate Medan" found that the right strategy to be applied is aggressive strategy or growth strategy. These strategies that can be applied are to increase the volume of business sales and maintain and expand the market share of the business.

Research on Nova Rohani Toguria (2013) on "Strategy for Development of Mandailing Coffee Commodities" found that the internal factors affecting Mandailing coffee development include strength (physical condition and quality, farmer experience, farmer's control over cultivation technique) and weakness (land area and number of inputs). External factors affecting business development include opportunities (demand, capital support institutions, assistants, supporting facilities and infrastructure, labor used).

Research Method

Descriptive research is a form of research that is intended to describe the events that exist, both natural events and man-made events. Descriptive research is a study that attempts to describe and interpret something, existing conditions or relationships, opinions developing, ongoing processes, effects, or ongoing trends.

Genesis is presented in the absence of the results of the research described clearly and explicitly without manipulation therefore this research is the absence of a hypothesis but is a question.

Determination of research area is done intentionally (purposive). The location of the selected research is Silangge Village, Sipirok District, South Tapanuli, with the consideration that weaving business in this area has been around for a long time. Respondents are people who act as informants to provide information about the facts and opinions about the issues being studied. The method used in the determination of respondents in this study is intentionally (purposive), i.e. businessmen, craftsmen, and consumers associated with research. Number of samples is 3 industries. The data collected are primary and secondary data.

To solve the first problem that is used SWOT analysis by formulating internal factor and external factor.

SO Strategy

This strategy is based on the company's way of thinking, namely by utilizing all the power to seize and take advantage of opportunities as much as possible.

ST Strategy

This is a strategy in using the power the company has to deal with threats.

WO Strategy

This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses.

WT Strategy

This strategy is based on defensive activities and seeks to minimize existing weaknesses and avoid threats (Rangkuti, 2009).

Results and Discussion

Revenue

Revenue is the value derived from the multiplication of all production with the selling price of production. However, the amount of revenue Sipirok woven handicraft business depends not only on the size of the production, but also the selling price received. The selling price in each woven craftsmen Sipirok not too far experienced a difference so that the selling price of the results of interviews with woven craftsmen Sipirok, note that the price of weaving does not change the price either from one craftsman or to other craftsmen, in other words the price made by entrepreneurs Woven the whole Sipirok is the same. Where the price woven Sipirok Rp.180,000 per pieces. And in a month the craftsmen are able to produce as many as 300 pieces. So the acceptance of the craftsmen in the month Rp.54,000,000.

Income

The income of business is the difference from total recipients of Sipirok weaving craftsmen with total cost incurred during the production process. It is known that the receipt of Rp.54,000,000 per month and the average production cost of Rp.37,969,167 per month then the average income is Rp.16,030,833 every month. So with the income of the three handicraft entrepreneurs already get a very high income.

Analysis of Internal and External Factors

Woven handicraft business is one of the handicrafts of Ethnic Sipirok Angkola. Traditional weaving work using traditional weaving equipment is *gedokan*. For the community of Ethnic Sipirok Angkola South Tapanuli Regency North Sumatra Province weaving is an activity undertaken by women. According to information from the respondents mentioned that in 1985 the entry of ATBM (not machine

equipment) to South Tapanuli. With this ATBM started the community Sipirok produce ATBM woven fabric and produce woven products Sipirok.

To be able to formulate policy of strategy development of business, below presented internal and external factors that will determine and influence policy of woven craft business strategy of Sipirok in development of weaving business, that is: internal factor which include strength factor, Sipirok weaving in the development of weaving business, and the weakness factor, should exist and is needed for the development of weaving business but at present it is not owned.

External factors include the opportunity means if the woven craft business Sipirok implemented will take advantage of every opportunity that exists, while the threat is everything that will be faced as a result of the development of weaving business. The threat may occur before, during, or after the development of weaving business in Silangge village Sipirok sub-district (Rohani, 2013).

Internal Factors (Strengths and Weaknesses)

Strength Factors

1. The quality given by Sipirok weaving craft business is very good quality and high value. Good quality yarns called silk yarn, cotton, and polyester and rayon piscos. Sipirok woven products also have a motif that has its own meaning.
2. Sipirok woven handicraft business is a long-standing weaving business in South Tapanuli area. To produce a weaving both the craftsmen Sipirok woven crafts business has the creativity in mix and match colors and motifs.
3. The location of this business is not too far from the edge of the highway so close to transportation access so easy to get production materials and also this area is a safe area.

Weakness Factors

The craftsmen Sipirok weaving handicraft business still has a mindset that management as a weaver. They do not want to use KUB loan of Rp. 50.000.000 / KUB provided by the government to the people whose livelihood as weaver. They also do not want to attend training held by the local government. This business feels always lack of capital in doing business development both in terms of material and non-material.

This effort also does not have good time management in doing production activities. Usually they work depending on their wishes that lead to the rejection of the request. In terms of financial records, this business has not made a financial record never record anything that happens in the process of business travel.

In its production activities, the woven craftsmen Sipirok is a non-permanent employee, since weaving is usually only used as a side job for women in the area.

To be able to obtain a wider market then this business should have a marketing system. Marketing system conducted by Sipirok woven handicraft business is only marketing that is not looking for new customers because it focuses more on fixed customers. The selling price of Sipirok weaving products is also quite expensive, because the process of making it complicated.

External Factors (Opportunities and Threats)

Opportunity Factors

The development of weaving handicraft business is a great opportunity for sufficient capital owners. The existence of government awareness in introducing the results of weaving can be an opportunity for Sipirok woven handicraft business because indirectly the government plays a role in supporting weavers. It is also supported by

KUB loan of Rp. 50,000,000 / KUB provided by the government to the people whose livelihood as weaver

The development of the era also affects the mindset of the community that the current looms are used not only in traditional Batak events. But in various events can be used as forms of memories, awards, and honors, also used for religious events have even been used as a fashion with a beautiful design.

In terms of technology, these businesses should be able to market the products they produce to be known by the public. Sipirok woven handicraft business has the ability to produce various other forms of weaving, such as sarongs, clothes, curtains, sheets and caps. The demand that is always there is also a very important factor to be utilized and is part of the permanent customer of Sipirok weaving.

Threat Factors

The instability of the economy can be a threat, because with rising fuel prices it will automatically also affect the price increase on various things including the increase in the price of yarn used as a staple in weaving. This also affects the process of transportation of production either in the provision of raw materials or marketing processes resulting in increased operating costs.

The presence of weaving machines is a very severe threat to traditional weavers because it is economically viable that the use of weaving machines is more profitable than using traditional weaving. However, when compared in terms of quality, traditional weaving are much better results than weaving machines.

Changes in society's view of songket also include being a threat to Sipirok weaving craft business. In ancient times, in Batak custom is known for the provision of songket as a form of gifts to the married, but as the current shift mindset it is no longer used sarongs or other forms of objects as a substitute songket.

Conclusions

1. The strength factors owned by Sipirok woven handicraft business is the quality product, the skill is mature, the atmosphere of safe working environment, the product produced high artistic value and easily of transportation.
2. The weakness factors is not willing to follow the training, do not about financial recording system, permanent employees, and good management and marketing system.
3. The opportunity factors are bank loan potentially, demand always available, fixed customer, better technology, government awareness in introducing weaving Sipirok, ability to produce other type of weaving.
4. The threat factors are the presence of machine weaving, substitution products, rising raw material prices, shifting patterns of view of songket.
5. The most used strategy in Sipirok weaving is the aggressive strategy of concentration growth strategy (market penetration) that focuses on single product / service business.

Suggestions

1. In order for the government to provide training to craftsmen to further improve the effectiveness and efficiency of this Sipirok handicraft business.
2. It is recommended to the craftsmen to improve the pattern of business management, capital management and marketing management in order to provide better benefits.

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