
**DEVELOPMENT OF PERFORMANCE IMPROVEMENT OF MSMEs IN LOYOK
VILLAGE SIKUR DISTRICT EAST LOMBOK REGENCY BASED ON SWOT
ANALYSIS**

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Abstract

This study aims to development a SWOT analysis and strategies for improving the performance of MSMEs based on a SWOT analysis. This type of research is descriptive which describes the strengths, weaknesses, opportunities and threats faced by MSMEs in Loyok Village, Sikur District, East Lombok Regency. The type of data used is primary data and secondary data collected by means of documentation, interviews, and in-depth interviews. The research population is all MSMEs actors who are craftsmen, ranging from making baskets, jars, bamboo fans, hats, to skewers and bags whose prices vary. The sample is determined by proportional random sampling. Data were analyzed qualitatively and SWOT analysis. The results show that the strengths of MSMEs are: the availability of raw materials and labor at relatively cheap prices, the quality of the product is very good, the weaknesses of MSMEs are: the number of qualified workers is still low, product designs are less innovative and market information limited opportunities, the opportunities they have are: obtaining capital assistance in the form of soft loans from Village-Owned Enterprises, attention from the government, especially training and assistance and the threats faced by MSMEs are: intense competition and low economic conditions. Four strategies are used to improve the performance of MSMEs based on the results of the SWOT analysis, namely: first, the SO strategy by maintaining product quality by utilizing the assistance of Village-Owned Enterprises and government training, both the WO strategy in compiling online marketing programs and increasing product design innovation and creativity, three strategies ST optimizes the availability of raw materials and relatively cheap labor to win the competition and the four WT strategies increase product design creativity and seek new market share.

Keywords: Performance, SMEs, SWOT Analysis

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are business units that contribute greatly to development, especially in the form of employment and foreign exchange earners. MSMEs function as the foundation of the Indonesian economy that affects the economy, so the existence of MSMEs must be supported by various programs aimed at developing them, both from the government and the private sector (Bismala, 2014). Small businesses and the informal sector have shown their participation in the national economy in various contributions both in terms of macro and micro (Winarni, 2009). MSMEs have an important role in economic development and growth,

not only in developing countries such as Indonesia, but also in developed countries such as Japan, the United States and European countries (Mulyanisman, 2012).

MSMEs need attention from the government, because MSMEs are expected to be able to absorb a lot of energy and have a very large number of business units, with the ability to absorb a large and dominant workforce in this business unit, enabling MSMEs to intensively use local natural resources. The existence of MSMEs, which are generally scattered in rural areas, is expected to have a positive impact on employment in rural areas, equity, income distribution, which can indirectly help the government in alleviating poverty in rural communities, and reducing the movement of people from rural to urban areas which in the end does not directly help the government improve the welfare of rural communities and reduce urban slums. The problems of MSMEs in West Nusa Tenggara (NTB) Province in general are not much different from the problems experienced by MSMEs in Indonesia, namely: low managerial ability (in terms of production, raw materials, administration and finance), low commitment in fulfilling customer orders, (in product design and quality, instability in supply and prices of raw materials or other supporting materials) and low access to financing sources. The government has handled this problem through various empowerment programs for MSMEs, in the form of funding, partnerships, training, mentoring, and others, but empirical facts show that MSMEs in Bali have not developed optimally (Wimba, 2015).

The existence of MSMEs in NTB Province as one of the supporters of the tourism sector is preferred in increasing regional income. The role of MSMEs in this case is to provide added value to increase tourism attractiveness, assist the government in providing tourism facilities and infrastructure, which in turn also contributes to increasing tourism in domestic and foreign tourism. In general, most MSMEs produce products in the form of souvenirs and food for tourists visiting NTB. The development of MSMEs in NTB Province in 2018, is presented in Table 1 below.

Table 1. Development of MSMEs in NTB Province in 2018

No	District/City	Business Classification				Total
		Micro	Small	Medium	Large	
1	Mataram	46,328	11,007	632	179	58,146
2	Lombok Barat	110,322	10,286	461	34	121,103
3	Lombok Utara	7,037	369	2		7,408
4	Lombok Tengah	121,636	7,445	321	28	129,430
5	Lombok Timur	144,029	16,266	904	62	161,261
6	Sumbawa Barat	14,898	1,651	84	19	16,652
7	Sumbawa	40,620	6,666	231	40	47,552
8	Dompu	26,558	2,019	69	11	28,657

No	District/City	Business Classification				Total
		Micro	Small	Medium	Large	
9	Bima	48,952	4,535	107	17	25,611
10	Kota Bima	22,267	2,713	163	24	25,167
	Jumlah	582,647	62,952	2,974	414	648,987

Source: BPJS Provinsi NTB (2019)

The data in Table 1 shows that the number of business classifications, whether micro, small, medium, and large, continues to increase. But the absorption of labor, the value of investment, and the value of production decreased. This shows that in general the performance of MSMEs in NTB Province has decreased, so it needs to be critically examined with anticipatory steps so as not to cause more serious problems. The following is the number of Workers in Micro and Small Industrial Enterprises/Companies according to the Standard Classification Code of Indonesian Business Fields, Gender, and Age Group of Workers, 2019 in Table 2.

Table 2. Number of Workers in Micro and Small Industrial Enterprises/Companies according to the Standard Classification Code of Indonesian Business Fields, Gender, and Age Group of Workers, in 2019

Kode Klasifikasi Baku Lapangan Usaha Indonesia*)	Laki-Laki				Perempuan				Jumlah			
	Kelompok Umur Pekerja				Kelompok Umur Pekerja				Kelompok Umur Pekerja			
	< 15 Tahun	15 - 49 Tahun	50 - 64 Tahun	≥ 65 Tahun	< 15 Tahun	15 - 49 Tahun	50 - 64 Tahun	≥ 65 Tahun	< 15 Tahun	15 - 49 Tahun	50 - 64 Tahun	≥ 65 Tahun
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
10	-	11 927	3 816	133	171	22 670	5 151	689	171	34 597	8 967	822
11	-	1 145	123	5	-	149	-	58	-	1 294	123	63
12	19	36 005	5 303	483	585	42 473	8 894	417	604	78 478	14 197	900
13	-	414	45	16	-	7 690	2 713	34	-	8 104	2 758	50
14	-	993	255	102	-	3 698	997	410	-	4 691	1 252	512
15	-	10	2	1	-	6	-	-	-	16	2	1
16	2	22 532	7 423	235	19	23 513	10 259	1 887	21	46 045	17 682	2 122
17	-	-	-	-	-	-	-	-	-	-	-	-
18	-	736	8	-	-	26	-	-	-	762	8	-
20	-	30	37	7	-	15	22	7	-	45	59	14
21	-	363	-	-	-	598	24	21	-	961	24	21
22	-	8	-	-	-	-	-	-	-	8	-	-
23	433	10 628	4 047	217	126	9 075	2 547	135	559	19 703	6 594	352
24	-	-	-	-	-	-	-	-	-	-	-	-
25	1	3 588	171	231	-	63	12	-	1	3 651	183	231
26	-	-	-	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-	-	-	-	-	-
28	-	1	-	-	-	-	-	-	-	1	-	-
29	-	-	-	-	-	-	-	-	-	-	-	-
30	-	16	6	-	-	-	-	-	-	16	6	-
31	60	2 253	738	123	-	133	4	-	60	2 386	742	123
32	13	486	85	62	-	324	243	81	13	810	328	143
33	-	219	-	-	-	-	-	-	-	219	-	-
Jumlah	528	91 354	22 059	1 615	901	110 433	30 866	3 739	1 429	201 787	52 925	5 354

Keterangan: *) Uraian kode dapat dilihat pada Kode Klasifikasi Baku Lapangan Usaha Indonesia

Source: East Lombok Regency BPJS, Year 2019

Table 2 shows that IMK businesses in NTB Province absorb as many as 261,495 workers and more than 60 percent are female workers. If you look at the distribution of the number of workers, IMK workers on the island of Lombok are 223,086 people (85.31 percent) and the

remaining 38,409 people (14.69 percent) are on the island of Sumbawa. This is reasonable because more than 80 percent of the number of IMKs are on the island of Lombok so that the number of workers is also greater. An in-depth analysis of the low performance of MSMEs in Loyok Village, Sikur District is important to do, to find out the weaknesses and opportunities available to improve performance in the following year. One of the analytical tools that can be used to analyze the existence of MSMEs in Loyok Village, Sikur District, East Lombok Regency is a SWOT analysis.

MSMEs in East Lombok Regency consist of 55 types of businesses, grouped into: (1) Craftsmen group consisting of woven craftsmen (eating, bamboo), coconut shell craftsmen, wood carvings, silver crafts, mini jukung craftsmen, and wooden sculptures, (2) Business groups building materials consist of concrete brick industry, brick, padas, taro and trellis/iron fence, (3) food and beverage group consisting of dodol food industry, Balinese snacks, crackers, salt, brown sugar, peanuts, chips, fermented soybean cake, cassava cakes, rice flour, fish processing, coconut oil, packaged drinks, palm wine processing and food stalls, (4) Textile group consisting of embroidery, screen printing, weaving of garbage bags, convection/tailor and clothing, and (5) Other industries consisting of pillows, kites, paintings, knives and photo copies.

The results of interviews with industry employees and the trade office of Loyok Village, Sikur Subdistrict, show that the craftsman industry group most often receives assistance and support from the government, because this group produces tourism supporting products in the district and absorbs relatively more workers. This condition encourages the SWOT analysis of MSMEs in Loyok Village, Sikur District to focus on groups of craftsmen, weaving, woven bamboo, coconut shells and wood carvings.

LITERATURE REVIEW

The definition of MSMEs set by BPS (Central Statistics Agency) is based on the number of workers, for small businesses there are five to nineteen people, while for medium-sized businesses it ranges from twenty to ninety-nine workers (Rahmana, 2009). The definition of MSMEs above is in accordance with the MSMEs definition applied to the Asian Development Bank (ADB) (Larasati, 2011). MSMEs have special characteristics that distinguish them from other types of large businesses, including characteristics that distinguish micro-enterprises, small-scale businesses, and medium-sized businesses themselves. More than a third of MSMEs in Indonesia (34.5 percent) are managed by workers aged over 45 years, and only about 5.2 percent of MSMEs entrepreneurs are under 25 years old (Tambunan, 2009). The workforce needed by small industries does not require high formal education. Most of the workforce needed by industry is based on experience (learning by doing) related to historical factors (path dependence) (Sulistiyastuti, 2004).

The entrepreneurial structure according to formal education level shows that there is a positive relationship between the average entrepreneurial education level and business scale, which means that the larger the business scale, which is generally positively related to the level of business complexity that requires high skills and broader business insight, more and more entrepreneurs with tertiary formal education (Tambunan, 2009). Most MSME entrepreneurs reveal the reasons for their business activities having an economic background, meaning that this business is carried out as an effort to increase income and or is a strategy to survive, this condition is caused by the low level of entrepreneurial education.

The MSMEs business is carried out on the grounds that there is no other type of work that can be done with a relatively low level of formal education (Tambunan, 2009). Some entrepreneurs run their business considering the future prospects of the business, such as the existence of a secure and large opportunity and market share, however, others reveal a hereditary background, which means continuing the family heritage business. Indonesia has many MSMEs, but not all of these MSMEs are legal entities, most of the existing MSMEs, which is about 95.1 percent of the number of business units that are not legal entities, this condition is acceptable on the grounds that most MSMEs have minimal capital and adequate regulations. complicated to get services in business development. The characteristics of MSMEs are the use of local raw materials. The existence of MSMEs is often associated with the high intensity of use of local raw materials, for example MSMEs crafted Jepara carving furniture typical of batik from Pekalongan and various other superior local commodities that are used as raw materials in business (Sulistiyastuti, 2004).

Performance can be in the form of individual performances or group work. The performance description involves three important components, namely: objectives, measures and assessments. Determining the goals of each organizational unit is a strategy to improve performance. This goal will provide direction and influence on how work behavior should be expected by the organization for each personnel. Even so, goal setting is not enough, because it requires a measure of whether a person has achieved the expected performance. Factors that affect performance are abbreviated to Achieve which means Ability (ability that can be developed), Capacity (defined/limited abilities), Assistance (assistance for performance realization), Incentives (material and non-material incentives), Environment (employee work environment), Validity (guidelines/instructions and job descriptions) and Evaluation (work feedback) (Notoatmodjo, 2009). Performance is a contextual concept related to the phenomenon being studied, so the measures used to represent performance are selected based on the observed state of the company. Performance appraisal is an important activity for the company as a process of evaluating all its activities. Performance appraisal is often a problem because performance appraisal is only intended

to evaluate and exclude other goals such as the goal of developing competence and individual goals in carrying out tasks and other goals.

SWOT Analysis

SWOT analysis is an analytical technique that identifies various factors systematically to formulate strategies. This analysis is based on logic that can maximize strengths and opportunities but at the same time minimize weaknesses and threats (Lestari, 2014). SWOT analysis is generally used to evaluate opportunities and challenges in the company's internal and business environment (Rahmana et al. 2017). The construction of a SWOT matrix is needed to facilitate the implementation of a SWOT analysis, by combining the factors of strength, weakness, opportunities and threats: The SWOT matrix consists of analysis of: (a) SO (Strength-Opportunities) is to use internal strengths to take advantage of external opportunities, (b) WO (Weakness-Opportunities) which aims to improve internal weaknesses by taking advantage of external opportunities, (c) ST (Strength-Threats) by using internal strength to avoid or reduce the influence of external threats, (d) WT (Weaknesses-Threats) is a defensive strategy directed at reducing internal weaknesses and avoiding internal threats. The preparation of the SWOT matrix consists of eight steps that must be carried out, namely: (a) writing external opportunities, (b) writing external threats, (c) writing internal strengths, (d) writing internal weaknesses, (e) match internal strengths with external opportunities and record SO strategies in the specified cells, (f) match internal weaknesses with external opportunities and record WO strategies in the specified cells, (g) match internal strengths with external threats and record ST strategies in the specified cells, (h) matched internal weaknesses with external threats and recorded WT strategies in defined cells (Amalia et al. 2017). The SWOT matrix is presented in Table 3.

Tabel 3. Matrix of SWOT Analysis

Internal Factor External Factor	Strengths (S) (List All Of Strengths)	Weakness (W) (List All Of Weakness)
Opportunities (O) (List All Of Opportunities)	Strategi SO (Growth)	Strategi WO (Stability)
Threats (T) (List All Of Threats)	Strategi ST (Diversification)	Strategi WT (Defend)

Rahmana, et al (2017)

There are four strategies that can be identified from the SWOT analysis matrix presented in Table 3, namely: the first SO strategy which is a strategy to use all the strengths you have to take advantage of opportunities. Second, the WO strategy is a strategy to overcome all weaknesses by taking advantage of existing opportunities. Third, the ST strategy, which is a strategy to use all

strengths to avoid threats. Fourth, the WT strategy is a strategy to suppress all weaknesses and prevent all threats.

METHODOLOGY

This research is a descriptive research, namely research to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connecting with other variables (Sugiyono, 2009). This type of research is descriptive which describes the strengths, weaknesses, opportunities and threats faced by SMEs in Loyok Village, Sikur District. The types of data used in this study consisted of: primary data, namely data on the strengths, weaknesses, opportunities and threats faced by MSMEs in Loyok Village, Sikur District and information about the groups of Craftsmen who most often received training/guidance from the Industry and Trade District Office. Karangasem. Secondary data is data on MSMEs in NTB Province obtained from the NTB Provincial Industry and Trade Office, data on MSMEs in Loyok Village, Sikur District obtained from the East Lombok Regency Industry and Trade Office.

The data collection techniques used in this study are: documentation, the data obtained by the documentation method in this study is the data of MSMEs in NTB Province and in Loyok Village, Sikur District. Interviews in this study were conducted with the head of the MSME data collection section in Loyok Village, Sikur District. Types of interviews conducted: in-depth interviews, researchers conducted in-depth interviews through semi-formal interviews with research informants, they were owners of MSMEs, especially craftsmen of weaving, woven bamboo, coconut shells and wood carvings. The population is all woven craftsmen, woven bamboo, coconut shell craftsmen and wood carving craftsmen in Loyok Village, Sikur District. Determination of the sample is done by proportional random sampling, which is a sampling method based on the representation of the population distribution in each sub-group, then selecting at the next stage the sample members are randomly selected. Determination of the sample using probability sampling, especially proportional random sampling, using the Slovin formula, the calculation of the number of samples in this study is as follows.

$$n = \frac{N}{1+Ne^2}$$

Notes:

N = Total population

n = Number of samples

e = fault tolerance

Data from the Department of Industry and Trade of East Lombok Regency shows that the number of woven, woven bamboo, coconut skin and wood carving craftsmen in Loyok Village, Sikur District is 1,415 business units, then using the Slovin formula with an error rate of 10 percent, the number of samples becomes:

$$n = \frac{1.415}{1 + 1.415 (0,1)^2} = 93$$

The results of the calculation show that the sample size is 93 units of woven food craftsmen, woven bamboo, coconut shells and wood carvings, using proportional random sampling clusters, proportional sample distribution in each cluster or area, names of sub-districts and groups of craftsmen in Sikur District are presented in Table 4 and Table 5 below.

Table 4. Distribution of Population and Sample in Each District and Each Craft Group in Sikur District

Name Of District	Type of craftsmen (unit)			Number Of Population	Number Of sampel	
	Ate Plaiting	Bamboo Plaiting	Coconut Shell		Wood Carving	
Semaya	1	24	151	11	187	5
Montong	53	493	26	101	673	19
Sikur	0	2	0	12	14	0
Loyok	1.308	55	3	19	1.385	39
Kotaraja	134	567	0	26	727	21
Tetebatu	72	47	0	25	144	4
Kembang	0	185	0	13	198	6
Kuning						
Gelora	68	6	1	12	87	3
Total	1.636	1.379	181	219	3.415	97

Source: East Lombok Regency Industry and Trade Office, 2018 (data processed)

The distribution of samples for each type of industry in each sub-district is presented in Table 5.

Table 5. Sample distribution for each type of industry in each Sikur District

Name Of Regency	Type Of Craftmen (unit)			Total	
	Bamboo Plaiting	Coconut Shell	Wood Carving		
Semaya	0	1	4	0	5
Montong	1	14	1	3	19
Sikur	0	0	0	0	0
Loyok	37	2	0	1	39
Kotaraja	4	16	0	1	21
Tetebatu	2	1	0	1	4

Name Of Regency Ate	Type Of Craftmen (unit)			Total	
	Bamboo Plaiting	Coconut Shell	Wood Carving		
Kembang	0	6	0	0	6
Kuning Gelora	2	0	0	0	3
Total	46	40	5	6	97

Source: Data in Table 4

Distribution of samples in each village and each craftsman proportionally based on the area and type of business with the consideration of providing opportunities for all craftsmen in all districts. The data analysis techniques used in this research are: (1) Descriptive analysis technique with a qualitative approach, namely by providing an overview of data or events based on the facts that arise in the situation and object being investigated, the research process is carried out through measurements with a standard tool is a matrix SWOT, (2) The SWOT matrix analyzes the strengths, weaknesses, opportunities and threats faced by craftsmen, (3) The results of the SWOT analysis are used as the basis for developing models to improve the performance of craftsmen.

RESULTS AND DISCUSSION

SWOT Analysis on MSME Performance

MSMEs in Sikur District consist of various types of industrial groups, one of which is a group of craftsmen. The group of craftsmen who most often receive assistance and support from the East Lombok Regency Industry and Trade Office for the reason to produce more products that support tourism and absorb more workers is eating woven craftsmen, woven bamboo, coconut shells and wood carvings. The craftsmen who were the samples of this research were 93 craftsmen consisting of 43 food craftsmen, 40 woven bamboo, 5 coconut shell craftsmen and 5 wood carving craftsmen spread over eight (8) villages in Sikur District. Referring to the steps in preparing the SWOT matrix by Amalia, et al (2017) and based on the results of interviews and in-depth interviews with respondents, the SWOT analysis of artisans in Sikur District is as follows:

a) Write down external opportunities.

External opportunities faced by craftsmen in running their business are:

- 1) Get capital assistance in the form of soft loans from Village Owned Enterprises.
- 2) A lot of attention from the government in the form of training and mentoring programs.

b) Write down external threats.

The external threats faced by craftsmen in running their business are:

- 1) Tough competition

- 2) Low economic conditions
- c) Write down internal strength.
- d) The internal strengths of craftsmen in running their business are:
 - 1) Abundant raw materials at relatively low prices.
 - 2) Labor is always available at relatively low prices.
 - 3) Good product quality.
- e) Write down internal weaknesses.

The internal weaknesses of craftsmen in running their business are:

 - 1) The number of qualified workers is still low.
 - 2) Product design is less innovative and tends to be monotonous.
 - 3) Information about the market is still limited.
- f) Match internal strengths with external opportunities and record SO strategy in the specified cell.
- g) Match internal weaknesses with external opportunities and record the WO strategy in the specified cells.
- h) Match internal strength with external threat and record ST strategy in the specified cell.
- i) Match internal weaknesses with external threats and record the WT strategy in the specified cells.

The SWOT matrix for MSME craftsmen prepared based on the steps referred to by Amalia, et al (2017) is presented in Table 6.

MSMEs Performance Improvement Strategy Based on SWOT Analysis

SWOT analysis is used as a basis for developing models to improve MSMEs performance. SWOT analysis is generally used to evaluate opportunities and challenges in the business environment and in the company's internal environment (Kuncoro, 2005). MSMEs craftsmen in Loyok Village, Sikur District are one of the business units experiencing low performance problems, although compared to other MSMEs, craftsmen are MSMEs that receive the most attention from the local government.

The results of the SWOT analysis of the craftsmen are used as the basis for developing performance improvement strategies. Referring to the results of the SWOT analysis that has been carried out, there are four strategies that can be taken to improve the performance of MSMEs craftsmen in Loyok Village, Sikur District, namely:

Table 6. MSMEs Matrix SWOT Split in Sikur District

INTERNAL FACTOR	Strength (S) a) Raw materials with relatively cheap prices b) Continue to work at a relatively low price c) Good product quality	Weakness (W) a) The number of qualified workforce is still low, b) Product design is less innovative c) Limited market information
OUTSIDE FACTOR		
Opportunity (O) a) get capital assistance in the form of soft loans from Village-Owned Enterprises b) Attention from the government, especially training and mentoring programs. b) Attention from the government, especially training and mentoring programs	SO STRATEGY Utilizing Village Owned Enterprise funds and optimizing the availability of manpower to develop business Maintaining good quality pf products by utilizing government training and mentoring programs	WO STRATEGY Participate in training and guidance programs conducted by the government to improve the quality of the workforce and increase product innovation and creativity kreativitas Develop an online marketing program by optimizing soft loans from Village Owned Enterprise
Threat (T) a) Fierce competition b) Decline in Economic Conditions	ST STRATEGY Win the competition by producing more quality products than competitors. Optimizing the use of relatively cheap raw materials and labor to survive in low economic conditions.	WT STRATEGY Increase creativity and product innovation. Looking for new market share

Source: Interview Results With Craftsmen

a) SO Strategy (Strength-Opportunity)

This strategy seeks to optimize the internal strengths of the business to be able to achieve available external opportunities. The efforts made in this strategy are:

- 1) Utilizing Village Owned Enterprise funds and optimizing the availability of manpower to develop business.
- 2) Maintaining good quality pf products by utilizing government training programs.

b) WO (Weakness-Opportunities) Strategy.

This strategy seeks to improve internal weaknesses to achieve external opportunities. The actions taken in this strategy are:

- 1) Participate in training and guidance programs conducted by the government to improve the quality of the workforce and increase product innovation and creativity.
- 2) Develop online marketing programs by optimizing soft loans from Village Owned Enterprises.

c) ST Strategy (Strength-Threat).

This strategy optimizes internal strengths to deal with external threats. The actions taken in this strategy are:

- 1) Win the competition by producing more quality products than competitors.
- 2) Optimizing the use of relatively cheap raw materials and labor to survive in low economic conditions.

d) WT (Weakness-Threat) Strategy.

This strategy minimizes internal weaknesses to deal with external threats. The actions taken in this strategy are:

- 1) Increase creativity and product innovation.
- 2) Looking for new market share.

CONCLUSIONS

The conclusions of the study refer to the results and discussions: (1) the results of the SWOT analysis show the strengths (S) of the craftsman group are: they have raw materials at relatively low prices, labor is always available at relatively low prices, good product quality. Weaknesses of craftsmen are still low in the quality of labor, less innovative product designs and market information is still limited. The available opportunities are to get capital assistance in the form of soft loans from Village-Owned Enterprises, attention from the government in training and mentoring programs. The threats faced by craftsmen are intense competition and low economic conditions. Weaknesses and threats faced by craftsmen motivate craftsmen to keep running their business because on the other hand, craftsmen have the advantage of abundant raw materials at relatively low prices, labor is always available at relatively low prices and good product quality. Another motivator is external opportunities, they are capital assistance funds in the form of soft loans from Village-Owned Enterprises and attention from the government in the form of training and mentoring programs, (2) The results of the SWOT analysis are used as a basis for developing strategies to improve the performance of craftsmen, they are SO strategies to maintain product quality by utilizing Village Owned Enterprises assistance and training from the government, WO strategies to create online marketing programs and increase product design innovation and creativity, ST strategy to optimize the availability of raw materials and relatively cheap labor to win the competition and WT strategy to increase product design creativity and seek new market share.

Research recommendations are addressed to: (1) Craftsmen must make efforts to improve the quality of the workforce by including them in product innovation training and create online

marketing programs, and (2) The government is expected to continue to carry out training and mentoring programs, training should not focus on the production sector but also in the marketing sector by collaborating with other parties such as universities, Village Owned Enterprises are also expected to continue to fund the craftsman business to promote economic growth in the village.

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