

SWOT ANALYSIS TO FORMULATE DEVELOPMENT STRATEGY FOR BINA LAKSANA VILLAGE ENTERPRISE

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Abstract

This research analyzes the internal and external factors that influence the development of BUMDes Bina Laksana in Sukalaksana Village, Garut, using SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. This analysis aims to develop appropriate strategies to support the sustainability of the BUMDes' business in empowering the village economy and reducing urbanization. Strengths of BUMDes include tourism potential and village superior products, while weaknesses include limited capital, market access, and HR skills. Opportunities include government support and tourism potential, but the BUMDes faces threats such as competition with other villages and climate change impacts. Strategy recommendations include optimization of superior products, digital marketing, HR development, and business diversification to strengthen BUMDes' position as a local economic driver.

Keywords: BUMDEs, SWOT Analysis

INTRODUCTION

The density of the urban population compared to the rural population is currently due to the urbanization of rural communities to the city. This urbanization is triggered by the need for villagers to get a job in exchange for a decent income. In the village, there are not many jobs that can be used as a mainstay to obtain a decent income, especially for villagers who do not own land and capital (Sabitha, 2022). The lack of jobs is due to the imbalance of development between cities and villages. People who still stay in the village are generally those who work in the agricultural, livestock and marine sectors.

Villages should be the spearhead of Indonesia's development because there are more villages than cities, and because the majority of Indonesia's export commodities are mining, agriculture, plantations and marine products. All of these export commodities are produced in rural areas, but the majority of exporting companies are located in urban areas, so economic development and growth remains faster in urban areas. Currently, the government is trying to reduce this imbalance by, among other things, providing village funds for village development and the establishment and development of Village-Owned Enterprises (BUMDes). The Village Law, which is operationalized through Village Minister Regulation No. 21/2015 on the Determination of Priorities for the Use of Village Funds in 2015, confirms that one of the

priorities for the use of village funds is to establish and develop Village-Owned Enterprises (BUMDes).

BUMDes (Village-Owned Enterprises) is one of the institutions designed to strengthen the village economy through local potential-based business management and community empowerment. Along with the development of village development policies, BUMDes are expected to be able to play a role as economic drivers and job providers for local communities (Priyanto, 2020). A thriving BUMDes is expected to improve the economy in the village and ultimately reduce urbanization.

However, many BUMDes, including BUMDes Bina Laksana, face challenges in achieving business sustainability and increasing their contribution to the village economy. This is due to various factors, both internal and external, that affect the management and development strategies of these BUMDes (Fathoni et al., 2019). Some of the things that hinder the development of BUMDes include:

1. Limited Competent Human Resources (HR).

Many BUMDes face constraints in terms of the quality of human resources, particularly in managerial and financial management aspects. BUMDes managers often lack expertise in business, marketing, or management, which impacts the effectiveness of business operations (Sari and Fajri, 2018).

2. Limited Capital.

Limited capital is one of the common problems that hinder the development of BUMDes. Minimal capital limits the ability of BUMDes to develop new businesses or expand the production capacity of existing businesses (Hasibuan, 2019).

3. Lack of Support from Local Government.

Although BUMDes are supported by the central government, the actual support from local governments is often less than optimal, whether in the form of training, mentoring, or providing capital. Limited support from the local government makes it difficult for BUMDes to develop their businesses independently (Putri and Iskandar, 2020).

4. Poorly Organized Management and Administration System.

Most BUMDes do not have a good management system and still apply traditional management. This makes it difficult to make effective decisions and lacks transparency in financial reporting (Santoso, 2017).

5. Limited Market Access and Information.

BUMDes generally face constraints in accessing markets and information, particularly in relation to marketing their products. The lack of networks and access to a wider market makes it difficult for BUMDes products to compete with products from other larger and more established businesses (Irawan, 2021).

6. Lack of Community Understanding of the Functions and Objectives of BUMDes.

Some communities do not understand the purpose of establishing BUMDes, so community participation and support in BUMDes development is often suboptimal. This is due to the lack of socialization from BUMDes managers and the village government regarding the benefits of BUMDes for village welfare (Wijayanti, 2019).

BUMDes Bina Laksana is a BUMDes in Sukalaksana Village, Sukalaksana District, Garut Regency. BUMDes Bina Laksana is one of the BUMDes that is developing quite well.

BUMDes Bina Laksana develops several types of businesses, namely businesses in the tourism sector and village asset management. Businesses related to village asset management are Village PAM and the manufacture and sale of kewer tea and parabon coffee. Businesses in the tourism sector, namely by establishing Saung Ciburial, which oversees the MSME business sub-fields, lodging and function rooms, educational tourism, and cultural tourism. All income from these businesses contributes to PADes, so that Sukalaksana Village income does not only rely on village funds from the central government. Although BUMDes Bina Laksana has been relatively developed, like other BUMDes, it also faces several problems. One of these problems is the absence of strategic planning to ensure that the business runs sustainably. To overcome this, it is necessary to identify the strengths and weaknesses of its resources by conducting a *strength, weakness, opportunity, and threat (SWOT) analysis*.

IMPLEMENTATION METHOD

This Community Service activity is part of an effort to foster sustainable village development. BUMDes as an institution that plays an important role in improving the economy and welfare of rural communities, in fact, many have failed or have not been optimal in realizing this role. Such is the case with BUMDes Bina Laksana. So it is necessary to conduct a SWOT analysis in order to develop the right strategy for the future development of BUMDes.

Time and Place

This activity was carried out in July 2024. in the Saung Ciburial Tourism Village area as the center of BUMDes Bina Laksana activities, Village With the target of BUMDes Bina Laksana managers, Sukalaksana Village, Kec. Sukalaksana, Kab. Garut.

Implementation Methods

1. Preparation and Coordination
 - a. Determining BUMDes that require assistance in developing their development strategy. BUMDes Bina Laksana was selected.
 - b. Establish communication and coordination with the village head and BUMDes management to explain the purpose and objectives of the program to be implemented.



Figure 1. Interview with the BUMDES Director

2. Data Collection

- a. Conduct field observations through direct visits to the BUMDes location to obtain information on business conditions, facilities, infrastructure and human resources.
- b. Conducting discussions and interviews with parties related to BUMDes management to obtain information on BUMDes management, potential, constraints faced and future expectations.



Figure 2. Discussion and interview with BUMDES administrators

3. SWOT Analysis

- a. Identify *strengths* by identifying assets and advantages owned by the BUMDes, such as superior products, good infrastructure, competent human resources, and support from the village government.
- b. Identify *weaknesses* by analyzing internal factors that are weaknesses of the BUMDes, such as lack of business capital, unprofessional management, and low market knowledge.
- c. Identify *opportunities* by looking at external factors that can be utilized by the BUMDes, such as new market potential, the development trend of tourism villages, and government policies that support village businesses.
- d. Identify *threats* by analyzing external factors that pose *athreat* to BUMDes, such as competition with other businesses, policy changes, or changes in the national and global economy.

4. Developing a Strategic Plan

The next step is to develop a strategic plan for BUMDes development based on the results of the SWOT analysis that has been conducted. The strategic plan should include various actions that can be taken by maximizing strengths and opportunities, to overcome weaknesses and threats.

5. Socialization of SWOT Analysis Results

Furthermore, the results of the SWOT analysis are socialized to BUMDes managers, village officials and the community. As well as conducting training related to business management, marketing, and financial management based on the strategic plan that has been prepared.

6. Monitoring and Evaluation

The final step is to conduct regular monitoring of the implementation of the BUMDes development strategy. In addition, an evaluation is also conducted with the BUMDes

management within a certain period of time to assess progress and adjust the strategy if necessary.

RESULTS AND DISCUSSION

The implementation of SWOT analysis is an effort to shape and realise the goals to be achieved, by determining priority strategies based on the condition of internal and external factors owned. SWOT analysis itself is a systematic identification of various factors to formulate company strategy, this analysis is based on the *strengths*, *weaknesses* of the company as well as maximising *opportunities* and minimising *threats* in the environment faced by the company. Basically this analysis seeks to find new opportunities, manage and reduce organisational threats.

Based on the results of interviews and direct observations, the SWOT analysis for BUMDes Bina Laksana in Garut, which is the result of identifying *strengths*, *weaknesses*, *opportunities*, and *threats* that can affect the development of BUMDes is as follows:

1. Strengths

- a. Abundant natural resources
BUMDes Bina Laksana has access to abundant natural resources, including abundant agricultural potential (vegetables, fruits, rice) and many Garut sheep farms. The village even has a natural spring that has yet to be utilised.
- b. Gotong royong and community solidarity
The village community has strong social ties, supporting joint activities in developing the village economy.
- c. Natural and cultural tourism potential
The village has natural beauty that can be developed as a natural tourism destination, agro-tourism, and local culture that can attract tourists.
- d. Village superior products
The village has local superior products that can be marketed more widely, such as handicrafts, such as products from vetiver, as well as regional speciality foods and drinks, such as kewer tea, coffee, honey, and cassava chips.

2. Weaknesses

- a. Infrastructure limitations
Road access is relatively small and some points are still potholed, transport facilities, as well as other basic facilities such as electricity, internet networks are still limited, hampering the development of the village's economic potential.
- b. Limited human resources
The community lacks the managerial skills and technological capabilities to manage village businesses professionally.
- c. Lack of capital and access to funding:
Difficulty in obtaining business capital and limited access to funding sources make it difficult for BUMDes to grow.
- d. Market accessibility:

Village products are difficult to market outside the village due to lack of access to a wider market.

3. Opportunities

- a. Government and non-governmental organisation support
There are many government programmes, such as Dana Desa, Desa Brilian and support from NGOs, which can be utilised to strengthen the village economy.
- b. Village Tourism Development
The increasing interest of tourists in nature-based, cultural, and ecotourism provides a great opportunity to develop the village tourism sector.
- c. Digital Marketing and E-commerce:
Internet and e-commerce technologies open up opportunities to market village products more widely without geographical restrictions.
- d. Sustainable Agriculture Development:
Trends in demand for organic products and environmentally friendly agriculture provide opportunities to increase the competitiveness of village products in modern markets.

4. Threats

- a. Dependence on Natural Resources
Heavy dependence on agriculture and natural resources makes villages vulnerable to climate change, natural disasters, or environmental damage.
- b. Urbanisation and labour migration
Many people of productive age migrate to cities in search of better jobs, resulting in a reduction in the village labour force.
- c. Competition with other villages
Other villages around Garut are also developing village tourism and BUMDes businesses, so competition is getting tighter.
- d. Climate Change:
Extreme weather changes and changes in seasonal patterns can affect agricultural yields that are the mainstay of the village economy.

The following is an **IFAS** (*Internal Factor Analysis Summary*) and **EFAS** (*External Factor Analysis Summary*) analysis for BUMDes Bina Laksana. IFAS examines internal factors such as strengths and weaknesses, while EFAS examines external factors such as opportunities and threats.

1. IFAS (Internal Factor Analysis Summary) - BUMDes Bina Laksana

Internal Factors	Weight	Rating	Weight Score	Description
Strengths				
Abundant natural resources	0.15	4	0.60	Potential for agriculture, animal husbandry, and natural beauty
Community cooperation	0.10	4	0.40	Community solidarity is high in joint projects
Distinctive local culture	0.10	3	0.30	Traditions and culture that become tourist attractions
Tourism potential	0.15	3	0.45	The village has natural tourism potential that has not been optimised
Weaknesses				
Limited infrastructure	0.15	2	0.30	Lack of access to transport and basic facilities
Low HR skills	0.10	2	0.20	Lack of skills in business management
Lack of capital and funding	0.15	2	0.30	Difficult access to funding and investment
Limited market access	0.10	2	0.20	Difficulty selling products outside the village
Total IFAS Score			2.75	

2. EFAS (External Factor Analysis Summary) - BUMDes Bina Laksana

External Factors	Weight	Rating	Weight Score	Description
Opportunities				
Village tourism development	0.20	4	0.80	Great natural and cultural tourism potential
Government and NGO support	0.15	3	0.45	Various government programmes support BUMDes
Digital marketing	0.10	3	0.30	E-commerce can expand local product market
Sustainable agriculture	0.15	3	0.45	Organic trend can increase product value
Threats				
Dependence on natural resources	0.15	2	0.30	Risky if natural resources are damaged or poorly managed
Labour migration	0.10	2	0.20	Urbanisation leads to labour shortages
Climate change	0.10	2	0.20	Threatens agricultural yields
Competition from other tourism villages	0.05	2	0.10	Many neighbouring villages are also developing tourism
Total EFAS Score			2.80	

BUMDes Bina Laksana has a total **IFAS** score of **2.75** and **EFAS** score of **2.80**, which indicates that it has good external opportunities, but needs to improve internal weaknesses, especially in terms of infrastructure and human resources. So it can be concluded that BUMDes Bina Laksana is in quadrant II, which means that the BUMDes needs to improve internal weaknesses in order to capitalise on great external opportunities, such as government support, tourism development and digital marketing.

The next step is to develop the right combination of strategies, which focus on improving internal weaknesses while capitalising on existing opportunities. The right strategy for Quadrant 2 position is a diversification strategy. The following is a diversification strategy that combines the results of the SWOT analysis.

Combination of SWOT Strategy for BUMDes Bina Laksana:

1. SO (*Strengths-Opportunities*) Strategy

This strategy utilises internal strengths to take advantage of external opportunities.

- a. **Optimisation of village superior products:** With abundant natural resources and community support, BUMDes can develop village superior products that have high selling points. For example, developing derivative products from agricultural products such as processed foods typical of the village such as the *kewer*, *rangginang*, and coffee. In addition, the BUMDes can also develop village batik with *kewer* leaf and flower motifs, as well as various products made from vetiver such as bags, cloths, caps, etc. It is hoped that in the future these products can attract local and foreign markets.
- b. **Enhanced digital marketing network:** By utilising easy access to technology, BUMDes can utilise social media or local marketplaces to market products and increase brand awareness of local products.

2. WO (*Weaknesses-Opportunities*) Strategy

This strategy capitalises on external opportunities by improving internal weaknesses.

a. HR Development and Technology Training

BUMDes should organise training to improve human resource skills in business management, digital marketing, and technology-based tourism management.

b. Infrastructure Improvement

Cooperate with the local government and donor agencies to obtain assistance in infrastructure development such as road access, village facilities, and transport.

c. Business Product Diversification

Utilise tourism potential and local culture to develop new products such as handicrafts, agro-tourism, or homestays that can attract tourists.

d. Access to Funding

Collaborate with banks or financial institutions to gain access to capital, as well as utilising government funding programs (BUMDesa Bersama or Dana Desa).

e. Digital Marketing

Utilise technology and online marketing to expand the market reach of local products, so that they can reach consumers outside the region and increase village income.

3. **ST (Strengths-Threats) Strategy**

This strategy uses strengths to deal with external threats.

a. **Natural Resource Optimisation with Sustainable Agriculture**

Reduce dependence on natural resources by adopting sustainable agricultural practices and new technologies to maintain crop yields despite climate change.

b. **Reducing Urbanisation with Local Economic Development**

Create new jobs in the tourism and agribusiness sectors so that young people do not need to migrate to cities.

4. **WT (Weaknesses-Threats) Strategy:**

Reduce internal weaknesses and avoid external threats.

a. **Strengthening inter-BUMDes collaboration:** Overcoming limited resources and expertise through collaboration with other BUMDes or similar business groups to share resources and knowledge.

b. **Managing risks and dependencies:** Develop risk mitigation strategies for weather-dependent agricultural products, for example by adopting agricultural technologies that are more adaptive to climate change.

CONCLUSION

The development strategy formulated through SWOT analysis can help BUMDes Bina Laksana optimise its potential as a sustainable village economic driver. With the right strategies, this BUMDes is not only able to survive, but also thrive amidst the challenges and changes that occur in the external environment. These strategies are expected to enhance the role of BUMDes in creating prosperity and economic independence for the local community.

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