



Economic Potential Mapping in Parung Subdistrict, Bogor District

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Abstract

The sector of economy in Parung Subdistrict Bogor District is dominated profoundly by agriculture, forestry and fishing, processing, providing accommodation, and food and beverages. SMEs, red: UMKM also play a capital role in the economic growth either nationally and locally. One of factors due to the significant progress of SMEs was the synergy of action between government and entrepreneurs to design competitive advantages of SMEs. This research aims to conduct economic potential mapping in Parung Subdistrict, Bogor District analyzing the internal and external factors effecting the economic potential in the territory. Bogor has forty subdistricts including Parung Subdistrict which has nine villages. Samples gathered were 54 representing all of nine villages in the district. The primary data were questionnaires and interviews with entrepreneurs of local SMEs .Data progressing method used in this research was descriptive quantitative using SPACE Matrix, SWOT matrix, and IE matrix. The result from Quadrant analysis showed that SMEs in Parung Subdistrict is in the first quadrant with strategic priority of growth. Meanwhile, the result from SPACE Matrix exposed that the alternative strategy is *Aggressive*. And at last, the IE Matrix result put SMEs strategy at the fifth quadrant of *Hold and Maintain*.

Keywords: Internal and External Factor Analysis; SWOT Matrix; Space Matrix; IE Matrix; Competitive Advantages

Introduction and Objectives and Goals

The increase in a regional economy cannot be detached by its economic potential. Bogor Regency which consists of 40 sub-districts where each sub-district has its own characteristics in terms of their economic potential. The Small medium and micro enterprises (SMEs, red: UMKM) supporting element of nation economic growth. Nowadays, Bogor district has its own guided craftsman lead by Dewan Kerajinan Nasional Daerah (Dekranasda), it engaged in small Industries of Handicrafts in the form of Industrial and Wood Crafts, Rattan and Bamboo Crafts, Industrial and Metal Crafts, Clothing and Leather Crafts and others. Handicraft products from these craftsmen have mostly penetrated the archipelago, and have even been exported directly and indirectly to other countries. Besides that, the agricultural potential in Bogor Regency consists of agriculture, food crops, vegetables and horticulture and plantations. Rice food crops spread almost in all districts, with different variations in area. Plantation crops are relatively limited in Bogor Regency, based on the management of the business divided into 2 (two), namely the Large Plantation and the People's Plantation. Large plantations are managed by private companies and

state companies, while smallholder plantations are managed by peasant communities. In addition, livestock and fisheries are also the economic potential of Bogor Regency which is also spread in every district. One sub-district that has contributed to improving the economy of the region is Parung sub-district. Parung Sub-district has 9 (Nine) villages namely Iwul, Jabon Mekar, Pamegar Sari, Parung, Waru, Waru Jaya, Bojong Sempu, Bojong Indah and Cogreg. Every village in Parung sub-district has economic potential that can support the improvement of the regional economy. Economic potential in the Parung sub-district, namely Farm, Mining, Industry/ Services, Agriculture. The village area is 25.87 KM² with a population of 110,661 people consisting of 30,556 heads of households, and a population density of 4,278 / KM² Business activities spread in Parung District consist of Small Businesses 1.301; Medium Business: 299; Big Business: 39, so that in total Parung District has 1,630 SMEs. Source: BPS Bogor Regency, 2017 and <http://kecamatanparung.bogorkab.go.id>

The potential of an area can be seen from the potential of natural resources and human resources and infrastructure in the region, which can produce an output from various industries owned by the area. The potential of the region can be predicted and measured through the distribution of area and the level of productivity of each resource. Geographically, each region has different characteristics so that each region has a different potential from the diversity of resources. To determine the environmental capabilities or potential possessed in each village in a sub-district, it requires an area mapping effort that includes identification, inventory and zoning as well as knowing internal factors and external factors that affect the economic potential. This research was carried out by mapping the economic potential of Parung sub-district, especially the SMEs, actors, which consisted of 9 (nine) villages, which included internal factors and external factors that affected the economic potential of the region. The results of the mapping are expected to be useful for the relevant agencies. By obtaining information on economic potential in the Parung sub-district, a development program for each business sector can be formulated, so that it will be possible to form independent SMEs that have competitive advantages. While for SMEs is an opportunity to develop their business through mentoring and coaching according to their needs. The targeted output in the research that will be carried out can be described below:

- a. Availability of internal factors and external factors that affect the business activities of SMEs
- b. The availability of competitive advantage strategies for SMEs

Methodology

This research was conducted in Parung Sub-district which consisted of 9 (nine) villages using primary and secondary data. Primary data is obtained from questionnaires given to business actors and interviews with relevant institutions in nine villages in Parung sub-district. The sampling technique uses purposive sampling based on certain criteria or objectives for the sample to be studied. The criteria used in this study are SMEs business owners who have an understanding of the economic potential of the region and the factors that influence the management of SMEs. Secondary data is obtained from each village head's office, literature, and information tracking through the internet that can support research. The research method is quantitative descriptive research. The population in this study were SMEs entrepreneurs in 9 (nine) in the Sub-district of Parung Village. Samples taken from this study were 54 micro entrepreneurs who were still actively running their business activities and understanding the problems of SMEs. Data analysis methods used following the Strategy Formulation Analytical Framework include analysis of Internal Factor Evaluation (IFE), analysis of External Factor Evaluation (EFE), analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) and SPACE Matrix. IFE and EFE are used to analyze internal and external factors that influence the strategy of competitive advantage of business actors and SMEs while the SWOT Analysis is conducted to formulate alternative strategies that can be used as solutions for business people and SMEs.

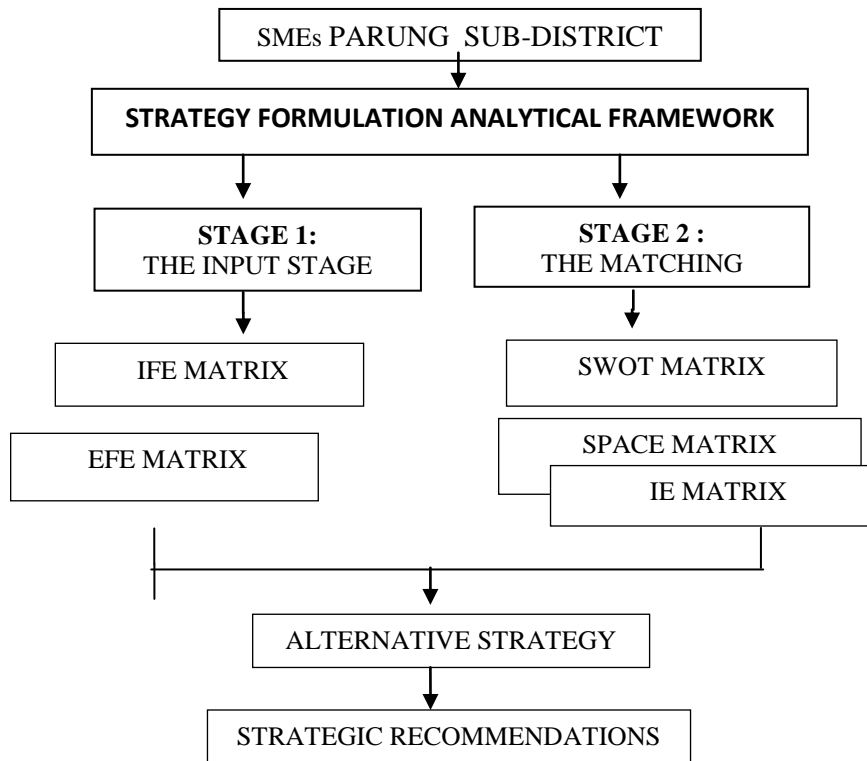


Fig 1. Strategy formulation analytical framework

Results

Parung sub-district Profile:

An area: Parung sub-district consists of 9 (nine) villages with a total area of 25.87 Km², namely Cogreg village: 5.11 Km², Bojong Indah village: 1.47 Km², Bojong Sempu village: 1.60 Km², Waru Jaya village : 2.93 Km², Waru village: 2.91 Km², Parung village: 2.71 Km², Pamegar Sari village: 2.66 Km², Jabon Mekar village: 2.17 Km², Iwul village: 4.31 Km².



Fig. 2 Parung sub-district Area, Source: Data Processed

Total Population: The population of male sex is 59,181 people and female is 55,246 people, so that the total number is 114,427 people. The largest population is in Cogreg village and Waru village.

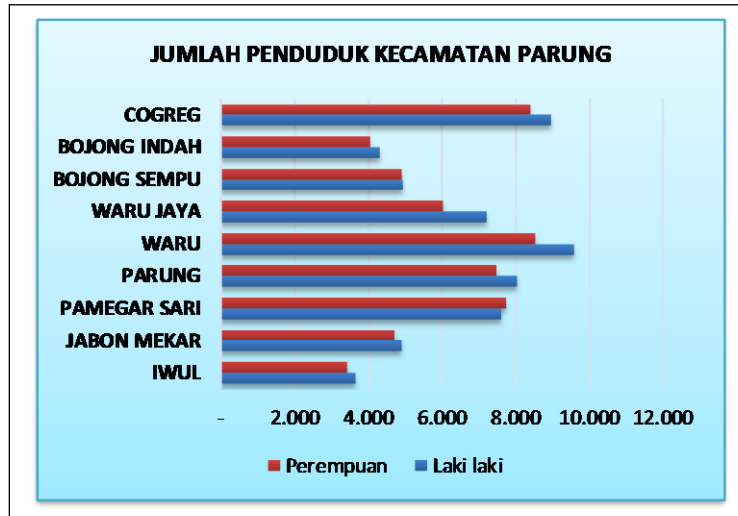


Fig 3. Total population
Source: Data processed

Occupation: Population in Parung sub-district 11,704 people (51%) are employees of private and trading companies totaling 7,564 people (33%).

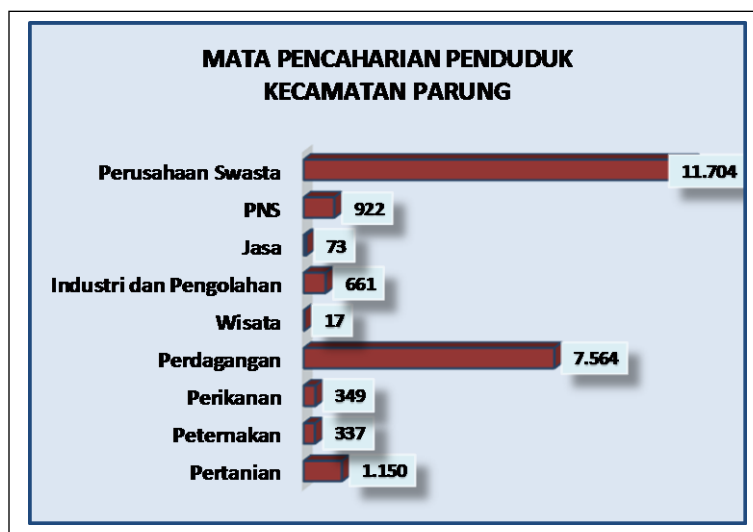


Fig. 4 Occupation
Source: Data processed

The number of SMEs in Parung sub district: The largest number of SMEs in the Parung sub-district are small and micro businesses, namely Iwul village: 207, Jabon Mekar village: 184, Pamegar Sari village: 15, Parung village: 35, Waru village: 77, Waru Jaya village: 121, Bojong Sempu village: 307, Bojong Indah village: 160, Cogreg village: 195. The largest number is in Bojong Sempu village.

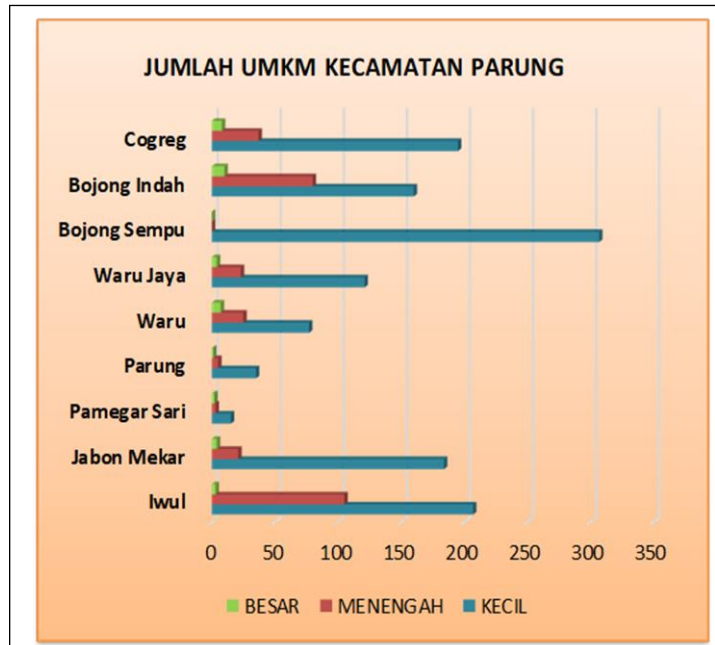


Fig. 5 The number of SMEs in Parung sub district
 Source: Data Processed

The type of SMEs business: The type of SMEs business is not in all types of businesses but is only spread in several types of businesses namely Industry and processing: 19%, Trade: 65%, Fisheries: 13% and Farm: 2%. The biggest type of business is Trading business.

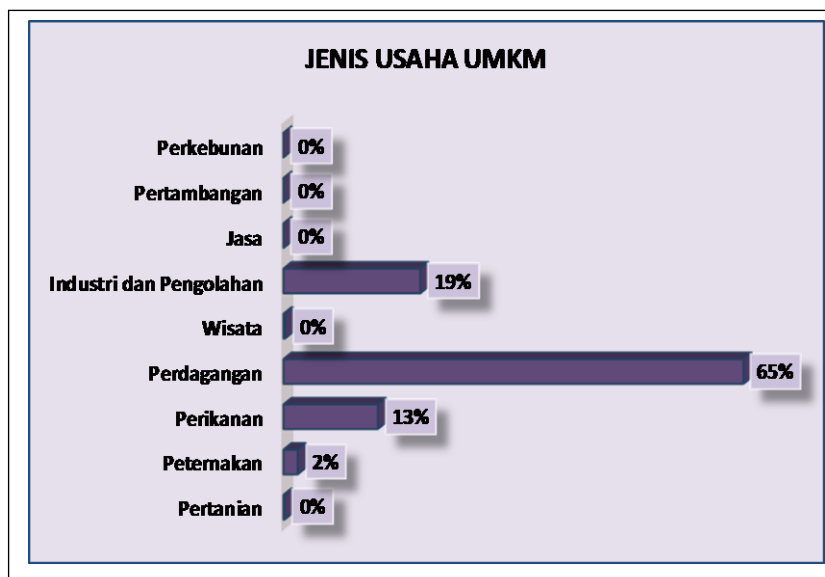


Fig. 6 The type of SMEs business, Source: Data Processed

SWOT Analysis

This research was conducted by analyzing internal factors and external factors that affect the economic potential in the district of Parung, Bogor regency, seen from the activities of micro-entrepreneurs. Internal factors and external factors are obtained from the questionnaire given to respondents, namely SMEs, especially micro business actors. The data obtained is processed into Internal External analysis in the form of IE Matrix, SWOT Matrix and SPACE Matrix to be able to know the strategies that can be provided as a solution to achieve competitive advantage of SMEs.

Tabel 1 Internal Factor Evaluation (IFE) Matrix

Key Internal Factors		Weight	Rating	Weighted Score
		(1)	(2)	(1 x 2)
STRENGTHS				1,72
1	Cultural preservation	0,042	3,7	0,15
2	Local wisdom	0,042	3,7	0,15
3	The uniqueness of the production process	0,042	3,3	0,14
4	Quantity of human resources	0,042	3,1	0,13
5	Human Resources training	0,042	2,8	0,12
6	Price	0,042	3,2	0,13
7	Promotion	0,042	3,1	0,13
8	Local events	0,042	2,9	0,12
9	Product differentiation	0,042	3,5	0,15
10	Image differentiation	0,042	2,9	0,12
11	Customer loyalty	0,042	3,4	0,14
12	Production capacity	0,042	2,9	0,12
13	Independent capital and loans	0,042	2,7	0,11
WEAKNESSES				1,03
1	Image differentiation	0,042	2,3	0,10
2	Channel differentiation (availability of SMEs outlets,Mall)	0,042	2,1	0,09
3	Channel differentiation (events / exhibitions abroad)	0,042	1,7	0,07
4	Service differentiation	0,042	2,3	0,10
5	Capital / finance	0,042	2,4	0,10
6	Quality of human resources	0,042	2,5	0,10
7	Social media promotion	0,042	2,4	0,10
8	Price competitive	0,042	2,4	0,10
9	Payment methods online	0,042	2,2	0,09
10	Various payment methods	0,042	2,4	0,10
11	Government grants	0,042	1,9	0,08
TOTAL		1,00		2,74

Source: data processed

Tabel 2 External Factor Evaluation (EFE) Matrix

Key External Factors		Weight	Rating	Weighted Score
		(1)	(2)	(1 x 2)
OPPORTUNITIES :				1,55
1	Globalization is an opportunity for product marketing (Global expansion)	0,08	2,5	0,19
2	Industrial Revolution Era 4.0, is an opportunity to market with internet media (E-commerce)	0,08	2,4	0,18
3	MSME (UMKM) products compete in MEA	0,08	2,30	0,18
4	There are foreign tourists who visit the tourist area or Mall	0,08	1,60	0,12
5	Indonesia's economic conditions are stable	0,08	3,50	0,27
6	Local government support	0,08	3,30	0,25
7	Mall availability, UMKM exhibitions and outlets for product promotion	0,08	1,90	0,15
8	Partnership with retail companies (alpha, indomaret, etc.)	0,08	2,60	0,20
THREATS :				1,25
1	Potential threats from new competitors	0,08	3,40	0,26
2	Competition among existing companies	0,08	3,40	0,26
3	The bargaining power of consumers	0,08	3,10	0,24
4	The bargaining power of suppliers	0,08	3,00	0,23
5	Potential threats of substitute products.	0,08	3,40	0,26
TOTAL		1,00		2,80

SWOT Analysis (Four Quadrant)

Based on the results of research on Internal factors, the total Strength was 1.72, the total Weakness was 1.03. While the results of the research on External factors obtained a total Opportunities was of 1.55, a total Threats score of 1.25. The coordinate point in the four quadrant analysis of Internal factors and External factors :

- IFE coordinates: $(\text{total strength score} - \text{total weakness score}) / 2 = (1.72 - 1.03) / 2 = 0.35$
- EFE coordinates: $(\text{total odds score} - \text{Total threat score}) / 2 = (1.55 - 1.25) / 2 = 0.20$
- then the coordinate point is located at = (0.35; 0.2)

In the four quadrant analysis, the coordinates are at (0.35, 0.20) which means that the economic potential position of SMEs is at the level of growth. In this level of growth, the economic potential seen from the side of SMEs has a good opportunity to continue to be improved and maintained.

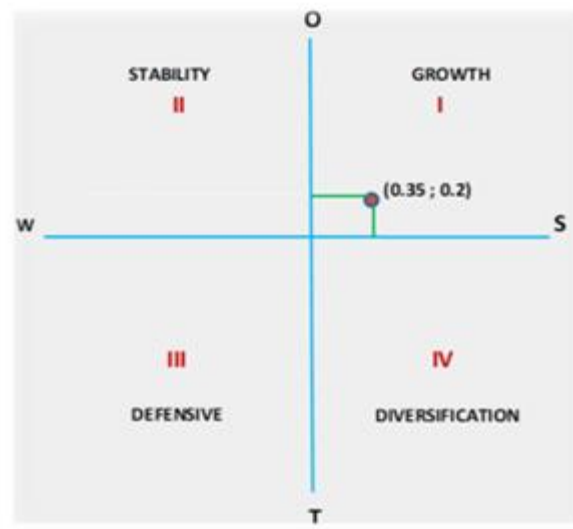


Fig. 7 SWOT Analysis (Four Quadrant)
Source: Data processed

Based on the results of IFE and EFE, the position of SMEs is in the first position in the quadrant analysis which is in the position of Growth. The Growth Stage, if a product is accepted by the marketplace, it enters the growth stage of the product life cycle. The growth stage is characterized by increasing sales, more competitors, and higher profits. Unfortunately for the firm, the growth stage attracts competitors who enter the market very quickly. (<http://www.saylor.org.>, Kotler & Keller, 2012). In order to survive and continue to grow, entrepreneurs need to pay attention to the requirements of a firm in its growth phase. They cannot neglect the planning and preparation required for long-term success. Entrepreneurial skills are critical during the venture's launch, while managerial skills become increasingly important thereafter. (Bygrave, 2011). Business success is commonly associated with growth and financial performance, but these are not necessarily synonymous, especially for small businesses (Schmitz, 2012).

(Kotler & Keller, 2012), to sustain rapid market share growth now SMEs : improves product quality and adds new features and improved styling, adds new models and flanker products to protect the main product, enters new market segments, increases its distribution coverage and enters new distribution channels., shifts from awareness and trial communications to preference and loyalty communications, lowers prices to attract the next layer of price-sensitive buyers. Base on the results (Marmullaku, 2018) on SMEs in Kosovo, implementing product development strategy to achieve penetration into existing markets, either by modifying existing products or by producing new products that are related to existing ones. This is attempted to be achieved through: Developing new characteristics of the product (adapting products to market needs, modification, change the product size, replacement of some product ingredients with other ingredients); Developing products with several types of qualities; Developing products with new dimensions and patterns. The rapid growth of small and medium-sized enterprises in Kosovo should derive from competition, innovation and quality factors, while small and medium-sized enterprises that are stable and with slower growth should compete on a price-based basis. (Falihat., Tehseen & Van Horne, 2018), base on findings revealed that there was a significant positive impact of entrepreneurial innovativeness on three types of business performances namely perceived non-financial, perceived

business growth, and perceived performance relative to competitors. Increased financial performance was not derived from entrepreneurial innovativeness.

Innovation is the process of creating a commercial product from an invention. Innovation is a key outcome firms seek through entrepreneurship and is often the source of competitive success, especially in turbulent, highly competitive environments. Defined innovation as “the process whereby new and improved products, processes, materials, and services are developed and transferred to a plant and/or market where they are appropriate (White, Bruton, 2011; Hitt, Duane & Hoskisson, 2009). Based on the results of the study of economic potential mapping seen from the point of view of the SMEs in Parung sub-district, it is at the growth stage. Based on the results of previous research and some related literature, the characteristics in this growth position are where SMEs are in the position of increasing sales, more competitors, and higher profits. Actors of SMEs must have long-term planning to achieve success. Financial performance is maintained even though this is less influential for SMEs. It is important for SMEs to improve product quality, enters new market segments, increase its distribution coverage, loyalty communications, lowers prices, innovation and improve entrepreneurial skills.

IE Matrix Analysis

Based on the results of research on internal factors (IFE matrix) obtained 2.7 and external factors (EFE matrix) obtained 2.8. Thus the coordinate points in IE Matrix are in the fifth (V) quadrant, which means that the economic potential position of SMEs in this position can be managed well based on the hold and maintain strategy by penetrating the market and developing products.

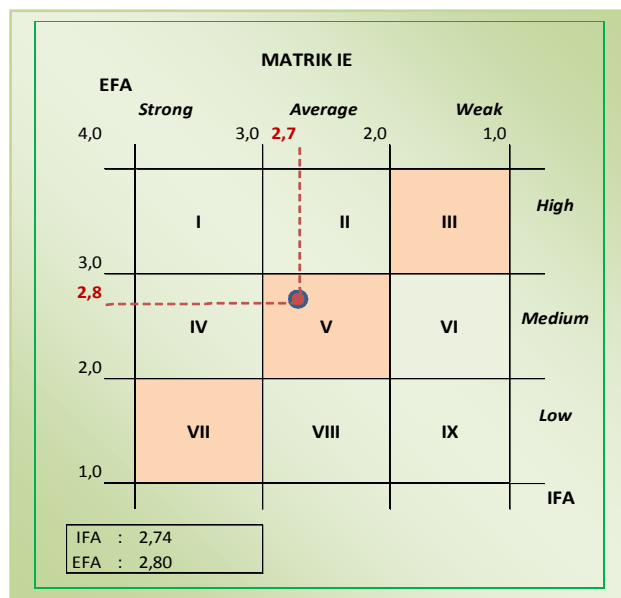


Fig. 8 IE Matrix

Source: Data Processed

Penetrating the Market and Developing Products

Based on the results of the study using IE Matrix analysis, the SMEs position is in the fifth quadrant. The strategies that can be implemented in the fifth quadrant are market penetration and product development. Market penetration strategies, focus on increasing a firm's sales of its existing products to its existing customers. Companies often offer consumers special promotions or low prices to increase their usage and encourage them to buy products (<http://www.saylor.org>), market penetration includes increasing the number of sales persons, increasing advertising expenditures, offering extensive sales promotion items, or increasing publicity efforts strategy (David, FR & David FR, 2017). Market penetration strategy that has been done by the Bogor district where Parung district is part of this region, namely the Bogor district UMKM forum, initiated the launching of the marketplace website, www.lapakumkm.com, a website aimed at collecting and marketing SME products in Bogor district. (<https://diskopukm.bogorkab.go.id>). The Ministry of Trade (Kementerian Perdagangan/Kemendag) seeks to encourage partnerships between large business actors and creative economic actors, micro, small and medium enterprises (MSMEs). The partnership aims to improve the competitiveness of MSMEs in the face of the development of shopping centers. (<http://radarjonggol.com>). Disperindag Bogor district tries to make it easy to obtain Indonesian National Standards (SNI) for SMEs. With this SNI can get various benefits, the more convincing consumers to buy genuine Bogor products. In addition, producers can also be more flexible in expanding their business. (<https://www.republika.co.id>)

Product Development Strategies

Involve creating new products for existing customers. A new product can be a totally new innovation, an improved product, or a product with enhanced value, such as one with a new feature. A new product can also be one that comes indifferent variations, such as new flavors, colors, and sizes. (<http://www.saylor.org>). Product development is a strategy that seeks increased sales by improving or modifying present products or services. Product development usually entails large research and development expenditures (David, FR & David FR, 2017). Benefits of Industry 4.0 from the perspective of SMEs are perceived as increase in productivity and demands, and decrease in costs. Whereas majority claims the high costs as the main barrier for implementations of Industry 4.0 technologies. Based on the findings of this research it can be concluded that the SMEs require more information on Industry 4.0 adoption. Hence, should be organize more educational for training SMEs and increasing awareness. (Gergin, 2017., <https://www.researchgate.net>)

Entrepreneurs are individuals, acting independently or as part of an organization, who see an entrepreneurial opportunity and then take risks to develop an innovation to exploit it. The person with an entrepreneurial mindset values uncertainty in the marketplace and seeks to continuously identify opportunities with the potential to lead to important innovations. Entrepreneurial opportunities are conditions in which new goods or services can satisfy a need in the market. Entrepreneurial opportunities come in a host of forms such as the chance to develop and sell a new product and the chance to sell an existing product in a new market. Firms should be receptive to pursuing entrepreneurial opportunities whenever and wherever they may surface. (Hitt, Duane & Hoskisson, 2009). Bogor district government is committed to improving the quality of local SMEs, especially in terms of human resources, this point is crucial in the era of the current ASEAN Economic Community. One of the efforts that will be carried out is to conduct training for SME actors by cooperating with private parties. With this training, it is expected that SME actors can be more motivated in improving their quality as well as competing in the middle of the Asian Economic Community (MEA). Not only for local, national and even international scales. In addition to soft skills training and expertise that depend on the field of SMEs, training also focuses on service, business skills and innovation in creating quality products. Efforts to facilitate SMEs to obtain

certification of the Indonesian National Standard (SNI), this is absolute so that local products can compete with the goods of large producers. (<https://www.republika.co.id>).

Based on the results of previous research and some related literature, the results of mapping the economic potential of Parung subdistrict from an SME perspective using an IE matrix a product development strategy needs to be carried out. SMEs must dare to look for opportunities by making various product innovations to be accepted in the market. With a product development strategy and market penetration, it can increase regional economic potential even in Indonesia.

SPACE Matrix Analysis

The results of Internal Strategic Position research obtained the value of Financial Position (FP) of 2.8, the average value of **0.47** and the value of Competitive Position (CP) obtained - 1.3, the average value - **0.16** while the External Strategic Position was obtained the value of Stability Position (SP) of - 1.9 average value - **0.27** and Industry Position (IP) of 2.9 average value of **0.41** (see table 3). Thus the coordinate points in the SPACE Matrix are in the first quadrant (I) that is aggressive quadrant, (upper-right quadrant) of the SPACE Matrix an organization is in an excellent position to use its internal strengths to (1) take advantage of external opportunities, (2) overcome internal weaknesses, and (3) avoid external threats. Therefore, market penetration, market development, product development, diversification, (David, F. R, 2011). (See picture.2). *Directional Vector Coordinates* dalam *SPACE Matrix*, are:

$$\begin{aligned}
 \text{SP Average is : } & -1,9/7 = -0,27 & \text{IP Average is : } & 2,9/7 = 0,41 \\
 \text{CP Average is : } & -1,3/8 = -0,16 & \text{FP Average is : } & 2,8/6 = 0,47 \\
 \text{X -axis = CP+IP = } & -0,16 + 0,41 = +0,25 & \text{Y -axis = SP+FP = } & -0,27 + 0,47 = +0,20 \\
 \text{Directional Vector Coordinates: } & & & \mathbf{(0,25 ; 0,20)}
 \end{aligned}$$

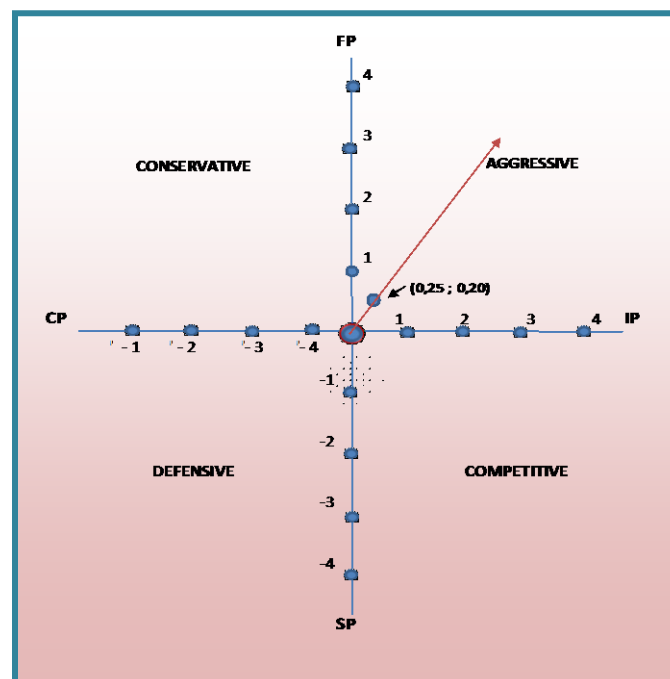


Fig. 9 SPACE Matrik Analisis, Source: Data processed

Tabel 3 Matrik SPACE (skala 1-4)

Internal Strategic Position		External Strategic Position	
<i>Financial Position (FP)</i>	Rating	<i>Stability Position (SP)</i>	Rating
1. Sales	2,5	1. Technological changes	-2,5
2. Working capital	2,5	2. Rate of Inflation	-1,5
3. Liquidity	3,1	3. Demand variability	-1,8
4. Inventory turn over	2,5	4. Price range of competing product	-1,5
5. Return on Investment	3	5. Barriers to entry into market	-2
6. Cash flow	3	6. Competitive pressure	-2
--	0	7. Ease of Exit from market	-2
TOTAL	2,8	TOTAL	-1,9
<i>Competitive Position (CP)</i>	Rating	<i>Industry Position (IP)</i>	Rating
1. Market share	-1,5	1. Growth potential	3,5
2. Product differentiation	-1	2. Profit potential	2,5
3. Service differentiation	-1	3. Financial stability	2,5
4. Image differentiation	-1,5	4. Supporting Technology	2,5
5. Channel differentiation	-1,5	5. Resource utilization	3,5
6. Production capacity	-1	6. Ease to entry into market	3
7. Technological know how	-1,5	7. Productivity, Capacity utilization	2,5
8. Customer loyalty	-1,5	--	
TOTAL	-1,3	TOTAL	2,9

Source: Data processed

Based on the results of the SPACE Matrix analysis, the perpetrators of the SMEs in Parung sub-district, Bogor district obtained the results where the curve was in the Aggressive position. In this position the strategies that can be done are: Backward, forward, horizontal integration; Market penetration; Market development; Product development; Diversification. (David, FR & David FR, 2017). There are five main points of the product development strategy, and only a few SMEs can apply them in reality: creating new products for existing customers, high innovation in production, innovative production, cooperation, high research and development budgets are almost inaccessible to small and medium enterprises in Kosovo. (Marmullaku, 2018). Small and medium sized firms also rely on strategic entrepreneurship when trying to develop innovations as the foundation for profitable growth. In firms of all sizes, strategic entrepreneurship is more likely to be successful when employees have an entrepreneurial mindset. Five dimensions characterize a firm's entrepreneurial mindset: autonomy, innovativeness, risk taking, proactive-ness, and competitive aggressiveness. (Hitt, Duane & Hoskisson, 2009). The relationship between product diversification and key strategic variables of innovation and innovative management initiatives results in positive overall effects of product diversification (Jarrar&Smith,2011).

Based on the literature and the results of previous studies regarding aggressive strategies on space matrix analysis, namely market penetration, market development, product development, and diversification. Product development strategy can be done by creating new products for existing customers, high innovation in production, innovative production, cooperation, high research and development budgets. Strategic entrepreneurship is more likely to be successful when employees have an entrepreneurial mindset: autonomy, innovativeness, risk taking, proactive ness, and competitive aggressiveness. Innovation has a positive relationship with diversification.

SWOT Analysis Matrix

Tabel 4 SWOT Analysis Matrix

<p>Internal Factor Evaluation (IFE)</p> <p>External Factor Evaluation (EFE)</p>	<p>STRENGTHS :</p> <ol style="list-style-type: none"> 1.Cultural preservation 2.Local wisdom 3.The uniqueness of the production process 4.Quantity of human resources 5.Human Resources training 6.Price 7.Promotion 8.Local events 9.Product differentiation 10.Image differentiation 11.Customer loyalty 12.Production capacity 13.Independent capital and loans 	<p>WEAKNESSES :</p> <ol style="list-style-type: none"> 1.Image differentiation 2.Channel differentiation (availability of SMEs outlets and Mall) 3.Channel differentiation (events / exhibitions abroad) 4.Service differentiation 5.Capital / finance 6.Quality of human resources 7.Social media promotion 8.Price competitive 9.Payment methods online 10.Various payment methods 11.Government grants
<p>OPPORTUNITIES :</p> <ol style="list-style-type: none"> 1. Globalization is an opportunity for product marketing (Global expansion) 2. Industrial Revolution Era 4.0, is an opportunity to market with internet media (E-commerce) 3. SMEs products are able to compete in MEA 4. There are foreign tourists who visit the tourist area or Mall 5. Indonesia's economic conditions are stable 6. Local government support 7. Mall availability, SMEs exhibitions and outlets for product promotion 8. Partnership with retail companies (alpha, indomaret, etc.) 	<p>SO STRATEGIES :</p> <p>Quadrant I</p> <p>Aggressive Strategy</p> <ul style="list-style-type: none"> ▪ More aggressive expansion, through partnerships with retail companies ▪ Aggressive promotion through e-commerce ▪ More highlighting product uniqueness and image. ▪ Utilizing government support and availability of SMEs outlets ▪ Human Resources training for e-commerce, product quality, service quality 	<p>WO STRATEGIES:</p> <p>Quadrant III</p> <p>Stability strategy</p> <ul style="list-style-type: none"> ▪ Improve product availability ▪ Improve services ▪ Provide training ▪ Increase capital ▪ Increase the introduction of technology ▪ Increase technology usage for product differentiation, service differentiation, channel differentiation, image differentiation, payment methods online
<p>TREATS :</p> <ol style="list-style-type: none"> 1.Potential threats from new competitors 2.Competition among existing companies 3.The bargaining power of consumers 4.The bargaining power of suppliers 5.Potential threats of substitute products. 	<p>ST STRATEGIES :</p> <p>Quadrant II</p> <p>Difersification Strategy</p> <ul style="list-style-type: none"> ▪ Product variation while maintaining product uniqueness and image uniqueness ▪ Superior at low costs 	<p>WT STRATEGIES :</p> <p>Quadrant IV</p> <p>Defensive Strategy</p> <ul style="list-style-type: none"> ▪ Reduce any weaknesses and defend against existing threats. ▪ Maintain product quality, price, services and image ▪ Trying to use social media promotion and online payments

Source: Data processed

Conclusion

Based on the results of economic potential mapping studies seen from the point of view of SMEs in Parung sub-district, using swot analysis 4 quadrants, the position of SMEs is in the growth stage. In this growth position, a strategy that can be done by SMEs is to increase sales, to obtain higher profits. Actors of SMEs must have long-term planning to achieve success. Financial performance is maintained even though this is less influential for SMEs. It is important for SMEs to improve product quality, enters new market segments, increase its distribution coverage, loyalty communications, lowers prices, innovation and improve entrepreneurial skills. Based on the results of research on mapping the economic potential of Parung subdistrict from an SME perspective using an IE matrix, a product development strategy needs to be carried out. SMEs must dare to look for opportunities by making various product innovations to be accepted in the market. With a product development strategy and market penetration, it can increase regional economic potential even in Indonesia. Based on the results of previous studies regarding aggressive strategies on space matrix analysis, namely market penetration, market development, product development, and diversification. Product development strategy can be done by creating new products for existing customers, high innovation in production, innovative production, cooperation, high research and development budgets. Strategic entrepreneurship is more likely to be successful when employees have an entrepreneurial mindset: autonomy, innovativeness, risk-taking, proactiveness, and competitive aggressiveness. Innovation has a positive relationship with diversification.

Based on the swot matrix analysis, it is found as follows:

SO STRATEGIES (Quadrant I)

Aggressive Strategy:

- More aggressive expansion, through partnerships with retail companies
- Aggressive promotion through e-commerce
- More highlighting product uniqueness and image.
- Utilizing government support and availability of SMEs outlets
- Human Resources training for e-commerce, product quality, service quality

WO STRATEGIES (Quadrant III)

Stability Strategy:

- Improve product availability
- Improve services
- Provide training
- Increase capital
- Increase the introduction of technology
- Increase technology usage for product differentiation, service differentiation, channel differentiation, image differentiation, payment methods online

ST STRATEGIES (Quadrant II)

Diversification Strategy:

- Product variation while maintaining product uniqueness and image uniqueness
- Superior at low costs

WT STRATEGIES (Quadrant IV)

Defensive strategy :

- Reduce any weaknesses and defend against existing threats.
- Maintain product quality, price, services and image
- Trying to use social media promotion and online payments

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