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Strategy to Increase the Competitiveness of Palembang City MSMEs Post Covid 19

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Abstract

Community emporment is an acivity increasing community participation ini fulfillment life's needs and solving problems experienced by society. The results show a response positive government and active community participation tall. The aim of this activity is to promote and improve product quality in order to achieve more develop and be able to compete with the MSME industry during the Covid 19 pandemic. In order to improve empowerment and welfare of the community through entrepreneurship to become an independent society and develop through branding and product marketing to promising business opportunities, because there are many interested by many groups.

Keywords: *MSME, Competitiveness* ***Competiti***

INTRODUCTION

MSMEs are an important part of Indonesia's independence economy and have great potential in improving people's welfare. MSMEs have three important roles in the Indonesian economy, namely as a means of equalizing the economic level of small people, alleviate poverty, and as a source of foreign exchange income for the country. Data from the Ministry of Cooperatives and Small and Medium

Enterprises (UMKM) in 2012 shows that the number of MSMes business actors in Indonesia reached 64,2 million, with a contribution to Gross Domestic Product (GDP)of 61,07 percent or IDR 8,573.89 trillion. MSMEs are able to absorb around 97 percent of the total workforce and collect up to 60,4 percent to total investment in Indonesia. Based on this data, Indonesia has strong potential in the national economic base because the number of MSMEs is very large and is able to absorb a large workforce. The growing

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percentage of MSMEs which continues to increase every year also opens up opportunities to reduce the number of unemployed in Indonesia

MSMEs have a big role in facing the global recession because MSMEs have contributed greatly to GDP, much of the employment is done by MSMEs, MSMEs area potensial market for the financial services industry, MSMEs are fast in finding potensial export markets, and MSMEs absorb the largest credit (Minister of Tourism and creative Economy, Sandiaga Salahuddin Uno). Even though MSMEs ini Indonesia have great potential in supporting the national economy, they are currentlystill faced with various challenges in increasing their competitiveness. Some of theseare limited capital which often becomes and obstacle ini developing a business, lack af access to a wider market, and limited quality human resources (HR) to support more competitive business development. Therefore, greater efforts are needed to overcome these challenges so that MSMEs ini Indonesia can further develop and compete in the global market.

Many small and medium businesses in the city of Palembang produce typical foods such as Pempek and kemplang which are considered very competitive and different form dan other similar products. MSMEs in Palembang City are increasing every year. As of December 2022, based on data form the Palembang City are Departement of Cooperatives and MSMEs, there are 12,655 MSMEs in Palembang City. Most of the food MSMEs in Palembang City still use traditional methods of production, marketing and distribution. Therefore, the South Sumatera Cake and Culinary Enterpreneurs Association Organization plays an important role in helping cake and culinary entrepreneurs in the region improve product quality and business competitiveness.

DISCUSSION

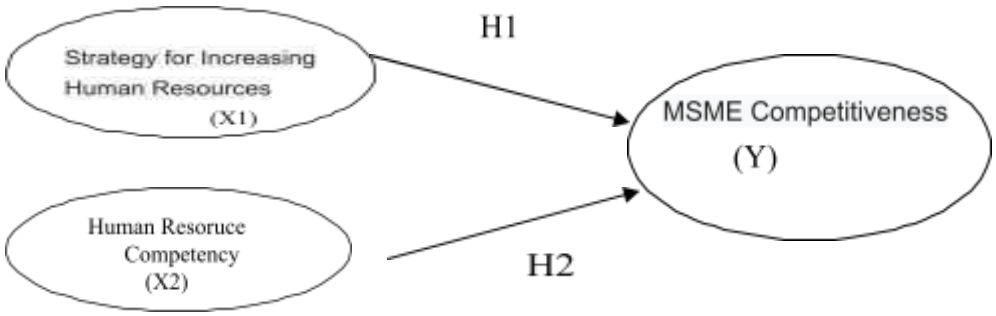
SWOT analysis is a strategic planning method used to evaluate strengths, Weaknesses, opportunities and threats in a project or business speculation. These four factors form the acronym SWOT (Strenghts, weaknesses, opportunities and threats). This Process involves determining specific goals for business speculation or projects and identifying internal and external factors that support and do not achieve these goals (Mariantha, 2018:13)

SWOT analysis (strengths, weaknesses, opportunities and threats) is the systematic identification of various factors to determine company strategy. This analysis is based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats (Swardono, 2002).

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Concept Structure



From the various understanding of the experts above, it can be concluded that SWOT analysis is how an organization sees its strengths and weaknesses due to influences from within the organization and how the organization sees opportunities and threats from the external environment that need to be known to develop effective strategies. The definition of these assessment factors is as follows:

Strengths

Are the resources skills, or relative advantages of a company and the desires of the market the company serves or expected to be served. Power appears in the form of financial resources, image, market leadership, buyer and supplierrelationships and other factors.

Weaknesses

Are limitations or deficiencies that significantly reduce the performance of a company. The sources of this shortage are financial resources, management abilities, marketing skill and image.

Opportunities

Is the most beneficial in a company environment. Identification of opportunities can be seen from market segments, chages in competition or command policies, changes in technology and improved relationships with buyer or suppliers.

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Threats

This is an unfavorable situation for the company. The forms of threats that companies face come form competitors, slow market growth, increased bargaining power form buyer of suppliers, technological changes and policy changes.

SWOT analysis is a tool used to systematically identify various factors that form the basic for formulating company strategy. This analysis approach is based on four key elements: strengths, opportunities, weaknesses and threats. In short, SWOT analysis involves analyzing and classifying the factors that influence these four elements.

The SWOT matrix is a combination of internal factors, namely strengths and weaknesses, with external factors, namely opportunities and threats, so that it will form four strategic alternatives from the combination of the two, namely S-O (Strength-Opportunities), S-T (Strenght Threats), WO (Weakness Opportunities and external) and W-T (Weakness Threats).

MATRIKS SWOT

Internal Startegy Factor Analysis Sumary **(IFAS)**	***STRENGHTS (S)***	***WEAKNESSES (W)***
	1. *Can control market price* 2. *become a market center for quality culinary delights* 3. *prioritze service quality*	1. *Members Participating are still limited and not evenly distributed in each region* 2. *Not yet utilizing social media to attract new members* 3. *unhealthy competition between members in one region is caused by a lack of coordination between regional officials*

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Ekternal Startegy Factor Analysis Sumary **(EFAS)**		
OPPORTUNITIES (O) 1. *Wide and everpresent culinarymarket share* 2. *product quality that has been widely recognized by consumers* 3. *branding that is stratting to be recognized by the government and has local government supports* 4. *Often participats in and collaborates in goverment and private events (culinary ambassador, culinary expo,etc)*	**STRATEGY (SO)** 1. *Improve branding (Brand) and activity participate in events organized by the government and private sector* 2. *creating comportable, safe and quality culinary centers for consumers*	**STRATEGY (WO)** 1. *Control competition between members to create healthy competition* 2. *Improve coordination and cooperation with the Goverment regarding capital support for Association members*

THREATS (T)	**STRATEGI ST**	**STRATEGI WT**

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1. *There is a conflict of intrest with the Goverment* 2. *Unhealthy competition between members* 3. *The emergence of other similar associations* 4. *There are changes to the rules*	1. *Control competition between members to be able to control market prices* 2. *Maintain product quality and member solidarity in order to compete with similar associations*	1. *Improve coordinaton and cooperation with the Goverment to avoid conflicts of interest* 2. *increase the use of social media to attract new members and maintain the existence of the Association so that similar associations do not emerge.*

Internal Strategy Factor Matrix

Internal Strategy Factors	Weight	Rating	Score
Strength			
1. Can Controls Market Prices	0,17	4,00	0,68
2. Become a Market center for quality culinary delights	0,17	4,00	0,68
3. Prioritizing service quality to achieve consumer loyalty	0,18	4,00	0,72
4. Has Complete and Valid Legality	0,17	3,00	0,21
Score Strength	0.7		2,29
Weakness			
1. Members participating are still limited and not evenly distributed in each region	0,07	3,00	0,21
2. Not Yet Utilizing social media to attract new members	0,08	3,00	0,24

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3. Limited Development capital and only relies on assistance from related agencies	0,07	3,00	0,21
4. Unhealthy competiton between ini one region is caused by a lack of coordination between regional officials	0,08	2,00	0,16

Weakness Score	0,3		0,82
Score	1,0		3,45

Ekternal Strategy Factor Matrix

External Strategic Factors	Bobot	Rating	Score
Opportunity			
1. The Culinary market share is wide and always there	0,17	3,0	0,51
2. The Quality of the product has been widely recognized by consumers	0,18	4,0	0,72
3. Branding is starting to be recognized by the government and dis supported by the local government	0,18	3,0	0,54
4. Opten participates in and collaborates in government and private events (Culinary Ambasador, Culinary Expo, Etc)	0,17	4,0	0,68
Opportunity Score	0,7		2,45
Threats			
1. There is a Conflict of interest with the goverment	0,07	3,0	0,21
2. Unhealthy competiton between members	0,08	3,0	0,24
3. The Emergence of other similar associations	0,07	2,0	0,14

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4. There are changes to the rules	0,08	3,0	0,24
Threats Score	0,3		0,83
Total	1,0		3,28

Strategy Analysis

The calculation results from the coordinates of the SWOT diagram are positivefor both axes, with the X axis getting a value of 1,81 and the Y axis value being 1,62. The results of these two values are both positive, this indicates that ASPENKU SUMSEL is in quadrant I. the SWOT diagram for ASPENKU SUMSEL can be seenin the image below.

KUADRAN SWOT

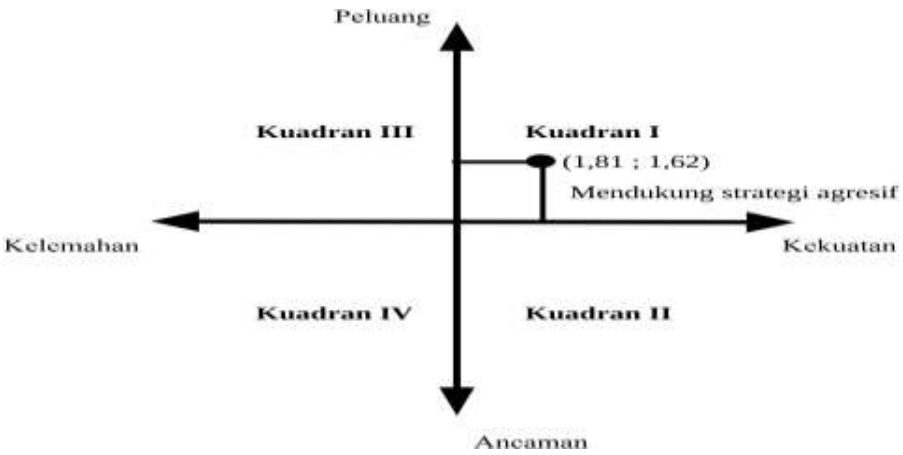


Figure 1: KUADRAN SWOT

Based on the results of the SWOT diagram analysis, we can determine the X and Y Axes. The Straight line in the diagram above leads to the coordinate point located in Quadrant I. Quadrant I shows a favorable situation, where ASPENKU SUMSEL has internal Strategy for developing this business is to use the SO (Strength Opportunities) approach, which means utilizing internal strengths to carry out an aggressive growth strategy or Growth -Orientes Strategy.

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CONCLUSION

Based on the IFAS calculation results, the conditions results were obtained. Internal condition received a score for strength factors of 2,29 and weakness factors of 0,75 with a total IFAS 3,28, Which shows that the opportunities for Sumsel Associated aregreater than the threats. This means that Sumsel Associated is in a very profitable position because it has strengths and opportunities that can be utilized optimally.

Sumsel Associated must support aggressive growth policies. So the appropriate strategy is the S-O strategy, namely using strategy and taking advantage of existing opportunities by leveraging the strengths you have. This means that Sumsel Associated is in a very profitable position because it has strengths and opportunities that can be utilized optimally, so that Sumsel Associated can support the aggressive economic growth policy of MSMEs in SUMSEL.

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