International Journal of Technology and Education Research

https://e-journal.citakonsultindo.or.id/index.php/IJETER

E-ISSN: 2986-0733

Value Chain Analysis and Strategy to Increase Value Added of Fried Onion Business in Kendari City (Case Study in KWT Matahari)

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Abstract

This study aims to: (1) analyze the value chain of KWT Matahari Anawai Village, (2) find out the added value of KWT Matahari fried onion business in Anawai Village, and (3) find out the strategy of increasing added value in KWT Matahari Anawai Village. This study is designed as a case study on the fried onion business, the target of the analysis is the Matahari Women Farmers Group (KWT) who has produced fried onions. The data analysis methods used in this study are value chain analysis, added value, and Analytical Hierachy Process (AHP). The results of this study are (1) the KWT Matahari value chain consists of 2 activities, namely the main activity and the supporting activity. The main activities consist of the purchase of shallot commodities from farmers or local markets and the purchase of other ingredients from shops around the production house, the production of fried onions is usually carried out 3 times a week. The production of fried onions has used modern tools, but there are also those that are still manual, so the processing of fried onions usually lasts for 6 hours in 1 production. The second activity is supporting activities, supporting activities consist of planning new product development and financial recording KWT Matahari still uses manual recording. (2) The added value of fried onion products created from the processing of fried onions for a single production process creates an added value of Rp5,202/kg with an added value ratio of 10%. The profit rate is 60.01%, which means that KWT Matahari's fried onion processing business has positive added value. (3) Analytical Hierarchy Process (AHP) can be found that the criteria and strategies for the development of fried onion business that are the most priority at KWT Matahari are product quality for priority criteria with a weight value (0.4704). As for the alternative strategy, the most priority is the prospector strategy with a weight value (0.3513).

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Keywords: ***Analytical Hierarchy Process (AHP), Women Farmers Group (KWT), Added Value, Value Chain*.**

INTRODUCTION

The agricultural sector in Indonesia is showing positive developments amid the weakening of the national economy due to the Covid-19 pandemic. According to the Central Statistics Agency (BPS), the agriculture, forestry and fisheries sector contributed to the Gross Domestic Product (GDP) with an increase from 2.16% in the third quarter of 2020 to 2.59% in the fourth quarter of 2020, and continued to increase to 2.95% in the first quarter of 2021 (BPS, 2020; BPS, 2021). The growth of the horticulture subsector contributed to this development, with consumers increasingly realizing the importance of horticultural products that not only meet food needs, but also improve health and environmental sustainability (Agriculture, 2015). One of the main horticultural crops is shallots, which have a high selling value and benefits as food flavoring and herbal medicine (Waluyo & Sinaga, 2015) .

Shallots are a valuable agricultural commodity because they have various benefits, both as food and medicine with anti-inflammatory, antioxidant, and antibacterial contents (Istina, 2016). Demand for shallots continues to increase, reflecting its significant economic potential. Data from the Directorate General of Horticulture shows that national shallot consumption continues to grow, with 790.63 tons consumed by households in 2021 and 831.140 tons in 2022, although production declined slightly from 2,004.59 tons to 1,982.36 tons (Directorate General of Horticulture, 2022). With a consumption rate of 4.56 kg/capita/year, shallots promise to be profitable both in the domestic market and for export (Herlita et al., 2016). In Southeast Sulawesi, shallots (Allium ascalonicum L.) are a mainstay commodity that continues to grow, not only as a food flavoring, but also a source of vitamins B, C, potassium, phosphorus, and minerals.

At this time the development of shallots in Southeast Sulawesi continues to increase, this is due to the large level of shallot consumption by Southeast Sulawesi residents . Harvested area and production of shallot plants in Southeast Sulawesi can be seen in Table 1.

Table 1 Harvested Area and Production of Onion Commodity in Southeast Sulawesi

Year	Red Onion	
	Harvested Area (ha)	Production (kw)
2020	226	6.550
2021	266	10.153

Source: Southeast Sulawesi in figures

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In 2021, shallot production has increased from 6,550kw/qui to 10,153kw/qui this is due to the community's regular planting patterns, and superior onion seeds and a friendly climate. Increasing agricultural products through the processing of agricultural products in improving rural communities towards food and economic independence is very strategically important (Darmawan, Hairiyah, & Hajar, 2018).

KWT Matahari in Kendari City, Southeast Sulawesi, is an agro-industry-based fried shallot producer that processes shallots into a longer-lasting product, fried shallots, to reduce the risk of loss (Yudiastuti & Wijaya, 2021). This shallot processing creates added value, with the products produced having high quality due to the use of quality raw materials and great potential to be developed due to the availability of abundant natural resources in the region.

Value-added is a crucial element in the business world, where the level of interaction of business actors is measured by the profit generated (Tarigan, 2007). These interactions form interrelated business chains and create networks that move products from producers to consumers. Value chain analysis is an effective method in coordinating the production, processing, and distribution of products by managing the flow of inputs, products, and information between business actors such as farmers, processors, and traders (Robinson, 2008). The value chain concept covers all stages of activities, from planning to final sale, supported by technical and financial service providers (USAID, 2009). In KWT Matahari, value chain analysis plays an important role in identifying key activities that create added value and competitive advantage, from the management of raw materials to the fried shallot products sold to consumers.

Based on the description above, it can be seen that shallot commodities are not durable or cannot be stored for too long because it can cause damage to agricultural products, therefore value chain analysis, value added, and improvement strategies are needed to assist in understanding how each stage in the production and distribution process can improve efficiency and profits. By studying the value chain, we can identify critical points where efficiency can be improved or costs can be reduced, such as in the procurement of raw materials, the production process, and distribution to the market. Value-added analysis helps in understanding how each stage of the process can add value to the final product, thereby increasing the product's competitiveness in the market. Business improvement strategies are needed to formulate concrete steps that can be taken to optimize each part of the value chain, ranging from product innovation, market diversification, to the application of more efficient technology. This study aims to provide comprehensive guidance for fried shallot producers in improving product quality, reducing costs, and expanding market share, so that the business can develop

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sustainably and competitively. KWT Matahari is a group of women farmers in Kendari who utilize shallot agricultural products to be converted into fried shallots. The selection of this research location is because KWT Matahari has been operating for approximately 6 years in processing fried shallots and has exported to Belgium.

METHOD

This research is a *case* study on fried shallot business, with the consideration that fried shallot producers who do business have long been engaged in providing fried shallots. The target of analysis is members of the Kelompok Wanita Tani (KWT) Matahari. Data collection techniques used in the study were observation, interviews, and literature. The data analysis methods used in this research are value chain analysis, added value, and *Analytical Hierachy Process* (AHP).

RESULTS AND DISCUSSION

Value Chain

A value chain is a model used to help analyze specific activities that can create value and competitive advantage for an organization. The fried shallot processing value chain activities carried out by the Kelompok Wanita Tani (KWT) Matahari can generally be explained as follows: Main Activities

1. Inbound logistics at KWT Matahari includes receiving and storing raw materials, such as shallots, cooking oil, and flour. Shallots are obtained from local farmers in Mandonga, but if the stock is insufficient or not up to standard, KWT Matahari looks for them in local markets in Kendari. Every week, KWT Matahari processes 126 kg of shallots in three productions. Before purchase, the quality of raw materials is checked, and records are taken before storage. The warehouse capacity for shallots is 500 kg, and the stored raw materials are well sorted to minimize the risk of damage.
2. Operations at KWT Matahari include the production process of fried shallots under the brand Bawang Enrekang, starting from selecting and purchasing quality shallots, sorting, peeling, washing, slicing, sowing flour, frying, and packaging. The production of fried shallots is done manually and using several machines, such as fryers, slicers, spinners, sealers, and rollers. Fried shallots are produced as much as 31.25 kg per week from 125 kg of shallots. Machine maintenance is done regularly after use. Product quality is ensured through standardization of fried shallots to make them crispy and crunchy before being sold in standing pouches with labels.

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3. Outbound logistics at KWT Matahari includes storage, pricing, and distribution of fried shallot products to customers. Finished products are stored in the production house storefront and organized using the FIFO method to ensure that older products are sold first. The selling price is set based on the cost of raw materials, labor, depreciation, and electricity, with three price variants: IDR50,000 for 250 grams, IDR35,000 for 125 grams, and IDR20,000 for 75 grams. Product distribution is done through direct delivery to customers or by customers picking up products at the production house.
4. Sales and marketing in KWT Matahari are done through offline promotions, such as introducing products to neighbors and leaving goods at outlets, as well as online promotions through WhatsApp groups and social media such as Facebook. Target consumers are men and women aged 20-70 years. Sales are still managed directly by the head of KWT Matahari without specialized sales personnel. Product distribution is done in Kendari and throughout Indonesia through Tokopedia, with market segments ranging from teenagers to the elderly. KWT Matahari has also exported its products to Belgium, but the export contract has not been renewed.
5. Services at KWT Matahari include the management and sale of fried shallots in the production house, with consumers being served directly by KWT Matahari employees or leaders. After purchase, consumers can provide feedback directly or via WhatsApp, which is then discussed with KWT Matahari members. If there is a complaint regarding a damaged product, KWT Matahari will replace the product.

Supporting Activities

1. KWT Matahari's corporate infrastructure includes support systems for daily operations such as accounting, legal, administration, and management. The infrastructure structure consists of three parts: first, the development plan which includes the addition of fried onion flavors and the replacement of manual machines with modern machines; second, the financial and accounting administration which uses manual recording through a gauze book, order book, visit book, attendance book, and ledger; third, the legal and regulatory aspects which have no written rules, but members have a high awareness to comply with their schedules and obligations.
2. Human resource management of KWT Matahari involves four main activities: first, recruitment is done informally, by selecting KWT members who are diligently present and involved in fried shallot processing; second, division of tasks is based on ability and expertise, not education level, with members exchanging tasks; third, training follows from management socialization organized by the local government, including financial

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and production management; fourth, salary and compensation systems are profit-sharing based, which motivates members to be active in the fried shallot business.

3. Technology Improvement, KWT Matahari has a plan to use computer devices to facilitate administration in all records, KWT Matahari has used some modern tools and some are still manual.
4. Purchasing in KWT Matahari involves procuring the resources necessary for operations. They obtain raw materials from around the production house and make payment at the point of purchase. KWT Matahari ensures that the raw materials used are of premium standard, by selecting good and undamaged shallots, and using high-quality flour and oil. Raw material purchases are made twice a week, on non-fixed days, depending on the production schedule.

Added Value

Value-added analysis is conducted to determine that a primary production of business results will increase in value if processing treatments are carried out to form a processed product.

Table 2 Calculation of value added of fried shallots by Hayami, et al. method (1987)

No.	Variables	Symbol Value	Calculations
Output, Input, and Price			
1.	Total output/product (kg/production)	(1)	11
2.	Raw material input (kg/production)	(2)	42
3.	Labor input (HOK/production)	(3)	11
4.	Conversion factor (kg)	(4) = (1)/(2)	0,26
5.	Labor coefficient (HOK/kg)	(5) = (3)/(2)	0,26
6.	Output price (IDR/kg)	(6)	200.000
7.	Average labor wage (IDR/kg)	(7)	8.000
Revenue and Profit			
8.	Raw material input price (IDR/kg)	(8)	20.000
9.	Other input contribution (Rp/kg)	(9)	26.798
10.	Output value (Rp/kg)	(10) = (4) x (6)	52.000
11.	a. Value added (IDR/kg)	(11a) = (10)-(9)-(8)	5.202
	b. Value-added ratio (%)	(11b) = (11a/10) x	10,0

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https://e-journal.citakonsultindo.or.id/index.php/IJETER

E-ISSN: 2986-0733

		100%	
12.	a. Labor remuneration (IDR/kg)	(12a) = (5) x (7)	2.080
	b. Labor share (%)	(12b) = (12a/11a) x 100%	39,98
13.	a. Profit (IDR/kg)	(13a) = (11a)-(12a)	3.122
	b. Profit rate (%)	(13b) = (13a/11a) x 100%	60,01
Merit Payments for Factors of Production			
14.	Margin (Rp/kg)	(14) = (10) - (8)	32.000
	a. Labor income (%)	(14a) = (12a/14) x 100%	6,5
	b. Contribution of other inputs (%)	(14b) = (9/14) x 100%	83,74
	c. Profit (%)	(14c) = (13a/14) x 100%	9,75

Source: Primary data processed (2024)

The results of the calculation of added value in KWT Matahari show that from one production process, 11 kg of fried shallots are obtained with the use of an average raw material of 42 kg of shallots. This figure is in line with the research of Zulkifli and Sihombing (2018) which shows the efficiency of converting raw materials into the final product of 0.26, namely 1 kg of shallots produces 0.26 kg of fried shallots. The production process involves 11 workers who work on various stages of production. The range of working hours is 6 hours per process, with a labor coefficient of 0.26 HOK/kg. The average market price of fried shallots is IDR 200,000 per kg, while the labor cost for 1 kg of fried shallots is IDR 8,000.

In the calculation of value added, the input price of shallot raw materials is IDR20,000 per kg, while the contribution of other inputs, including depreciation costs and auxiliary materials, reaches IDR1,125,519. The output value obtained was Rp52,000 per kg of fried shallots. The added value obtained by KWT Matahari is Rp5,202 per kg of fried shallots, with a value-added ratio of 10%, which is low according to Hubeis (1997). Labor remuneration reached Rp2,080 per kg of raw material, with a labor share of 39.98%. The profit earned was IDR3,122 per kg of fried shallots, resulting in a profit rate of 60.01%. The production margin of fried shallots is IDR32,000 per kg, with a margin distribution of 6.5% for labor remuneration, 83.74% for other input contributions, and 9.75% for profit.

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International Journal of Technology and Education Research

https://e-journal.citakonsultindo.or.id/index.php/IJETER

E-ISSN: 2986-0733

The calculation of the added value is expected to be a consideration for KWT Matahari in using raw materials, determining wages, and determining product prices to increase profits while maintaining product quality.

Improvement Strategy

Identification of Business Improvement Factors

KWT Matahari seeks to increase the added value of the processed fried shallot products as part of the main objective of business development. After setting this goal, the factors affecting business improvement, both from the internal and external environment, were analyzed. These factors were identified through direct interviews with the head of KWT Matahari. The relationship between these factors was then used to develop criteria for business improvement strategies that can be seen in Table 3.

Table 3 Results of Identification of Strategic Determinants

No.	Source	Factors	Linkage to Criteria
1.	External	Fried onion raw materials	1. New Product Improvement Criteria, Factors (1), (2), (3), (4), and (5) are factors that support the creation of new product improvements. The more new products produced, the more added value of the product. New product improvement criteria are related to the need for competent, experienced, and highly motivated human resources to develop the business.
2.	Internal	Food complementary products	
3.	External	Onion production is high	
4.	Internal	HR Availability	
5.	External	Coaching from the Government	
6.	Internal	Hygienic production process	2. Product Quality Criteria Factors (1), (6), (7), (8), (9), and (10) are the elements that make up the product quality criteria. High-quality and safe raw materials will produce high-quality products. This quality product is able to increase added value to the product because it meets the needs of consumers of quality products.
7.	Internal	Product prices are relatively expensive	
8.	Internal	High quality products	
9.	Internal	Semi-modern production equipment	

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10.	Internal	Healthy and safe products	
11.	Internal	Strategic business location	3. Product Availability Continuity Criteria, Factors (3), (11), (12), (13), and (14) are the elements that make up the product availability continuity criteria. A business location close to the source of raw materials facilitates the procurement of raw materials. This criterion is one of the efforts to achieve the goal of increasing business.
12.	External	Government support	
13.	Internal	Smooth production process	
14.	Internal	Distribution activities	
15.	Internal	Own trademark	4. Customer Satisfaction Criteria, Factors (1), (15), (16), and (17) form the customer satisfaction criteria. Customer satisfaction is usually related to service quality. Consumers who are satisfied with the product being marketed tend to return to buy the same product. This can increase the number of consumers, especially if satisfied consumers recommend the product to others.
16.	Internal	Good and friendly service	
17.	External	Expert in charge	
18.	Internal	The development of information technology	Technological developments can be utilized as a means to promote fried shallot products produced by KWT Matahari so that they are more widely known. The more widely the product is known, the greater the added value that will be generated from one product, which in turn can increase production.
19.	Internal	Promotion of fried onion products	
20.	Internal	Consistent production quantity	
21.	Internal	Expanding the market	
22.	External	Relatively many consumers	

Source: Primary data processed (2024)

Table 3 shows the determining aspects of the strategy along with the results of the internal and external environmental factors that have been identified based on direct observation and interviews at the business premises. Four criteria were obtained from the

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interviews and considering the factors that have been described and classified. As stated by Munizu (2010), there are several aspects that must be considered in business improvement, namely aspects of human resources, operations, markets and marketing, government policies, and economic, social and cultural aspects.

Direct field observations were conducted to analyze the factors that influence business improvement. The factors identified included raw materials for fried onion products, a widely preferred food complementary product, high production of erah, availability of human resources, and government guidance. These factors were used to determine the criteria for new product upgrades.

Factors influencing the improvement of KWT Matahari's business include the quality of raw materials, semi-modern production equipment, and relatively expensive product prices due to high quality. In addition, continuity of product availability is influenced by strategic location, government support, and smooth distribution. Customer satisfaction is supported by service, own trademark, and a skilled person in charge. Although these factors support the strengths and opportunities, there are some weaknesses such as limited human resources and not optimal promotion, which can be improved through training and additional human resources in marketing.

Formulation of Alternative Business Improvement Strategies

The factors or characteristics that correspond to the identified instruments are strategies from the Miles and Snow Typology. The preparation of alternative strategies in accordance with the identified instruments can be seen in Table 4.

Table 4 Alternative arrangement of business improvement strategies

Instrument		Strategy
1.	Product improvement by adding variety of types	1. Prospector A strategy that is more concerned with product innovation and market improvement. Instruments (1), (2), (3), and (4) correspond to the characteristics of prospectors. If KWT Matahari will use these instruments, the business improvement activities carried out are included in the type of prospector strategy.
2.	Product upgrades with adds variety to flavors	
3.	New product upgrades from in terms of size	
4.	Market improvement	

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		prospector strategy.
5.	Quality assurance system	2. Defender A strategy that is more concerned with business stability in an existing market so that the business will continue to run. One of the things that can maintain market stability is to create customer satisfaction. Instruments (5), (6), (7), (8), (9), (10), and (11) can encourage the creation of business stability by maintaining the existence of existing products and optimizing all resources owned.
6.	Raw material selection and production supervision by periodically	
7.	Utilization of quality control system in the process	
8.	Increase control over distribution	
9.	Proper production planning	
10.	Strengthening cooperation with foster group	
11.	Transaction process with customers (direct/delivery order)	
12.	New product upgrades as per with competitors' new products	3. Analyzer, a strategy that combines prospector and defender strategies, this strategy innovates new products while maintaining the stability of the market that is already owned. The activities that can be carried out for this type of strategy are a combination of several instruments from prospector and defender activity instruments. The activity instruments included in this strategy are instruments (1), (2), (3), (4), (8), and (9).
		4. Reactor, a strategy that only moves when there are actions from the external environment, especially competitors. This strategy will respond to actions taken by the external environment. However, this strategy is usually less consistent and stable in responding to environmental changes. Activity instruments that match

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		the characteristics of this strategy are instruments (4) and (12).

The business improvement strategy described in Table 4 is in accordance with the Miles and Snow Typology which provides alternative competitive strategies with the aim that the company can implement the strategy at the right time and situation by first understanding the company's position in the competition (Miles and Snow 2003). The main objective in improving the fried onion business by KWT Matahari is to increase the added value of KWT Matahari's fried onion business. To achieve this goal, strategies that are suitable for the characteristics of KWT Matahari's fried shallot business need to be implemented. After conducting a literature study, the business improvement strategy chosen is based on Miles and Snow's typology, which consists of prospector, defender, analyzer, and reactor strategies. These strategies were chosen because their characteristics are in accordance with the business improvement performance improvement instruments that can be carried out.

***Analytical Hierarchy Process* (AHP)**

Hierarchy Building

Based on interviews and observations with KWT Matahari, there are four main criteria in the fried shallot business improvement strategy: new product improvement, product quality, continuity of product availability, and customer satisfaction. Business improvement strategies can include prospector, defender, analyzer, or reactor types. The AHP hierarchical structure was used to develop a questionnaire that was filled out by the head of KWT Matahari and the Agriculture Office. The analysis showed a consistency ratio (CR) of <0.10, indicating that the assessments from both experts were consistent or acceptable. The combined assessment was used to determine the weight of the criteria.

Table 5 Weighting results of criteria for business improvement

Criteria	New Product Upgrades	Product Quality	Continuity of Product Availability	Consumer Satisfaction	Eigen
New Product Upgrades	1,0000	0,3330	2,4495	1,0000	0,2147
Product Quality	3,0030	1,0000	3,0000	2,4495	0,4704
Continuity of	0,4082	0,3333	1,0000	1,2247	0,1474

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International Journal of Technology and Education Research

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E-ISSN: 2986-0733

Product Availability					
Consumer Satisfaction	1,0000	0,4082	0,8165	1,0000	0,1675
Total	5,4113	2,0746	7,2660	5,6742	1,0000
CI = (Lamda Max -n)/(n-1)					
Max.Eigen Value					4,15916991
CI					0,05305664
IR					0,9
CR = CI/IR					0,05895182

Source: Processed Primary Data

Based on the processing results of Table 5, it can be seen that the results of data processing regarding the opinions of the head of KWT Matahari and representatives from the Agriculture Office show that the most priority business improvement strategy criteria to be considered by KWT Matahari are product quality (0.4704), new product improvement (0.2147), customer satisfaction (0.1675), and continuity of product availability (0.1474). The weighting results of the criteria have a CR value of 0.058 <0.10. The CR value <0.10 indicates that the results of the expert assessment have an acceptable inconsistency value.

After knowing the priority strategy of each criterion through data processing of *Analytical Hierarchy Process* (AHP) results, the most prioritized strategy in increasing the added value of the fried onion business of KWT Matahari will be further explained in the alternative priorities for each criterion below:

Table 6 Ranking of Alternative Strategy Criteria

	Product Quality		**New Product Upgrades**		**Product Quality**		**Consumer Satisfaction**	
Strategy	NB	P	NB	P	NB	P	NB	P
Prospector	0, 4486	1	0,3155	2	0,2266	2	0,2295	2
Defender	0,2026	2	0,1545	3	0,3955	1	0,4536	1
Reactor	0,1655	4	0,085	4	0,1875	4	0,1304	4
Analyzer	0,1831	3	0,4448	1	0,1902	3	0,1863	3
Incosistency Ratio		0,0043		0,0928		0,0383		0,0792
Ket:								

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NB: Weight Value *P : Priority*

Source: Primary data processed (2024)

Based on the table above, the author can detail it as follows;

1. Table 6 shows that the selected priority strategy alternatives on product quality criteria that can be prioritized in increasing the added value of KWT Matahari are prospector strategies with a weight value (0.4486), second is the defender strategy with a weight value (0.2026), third is the analyzer strategy with a weight value (0.1831), and fourth is the reactor strategy with a weight value (0.1655). The inconsistency ratio of alternative strategies for product quality criteria is 0.0043, which means it is still below the tolerance of 0.1 so that the criteria are said to be consistent.
2. Table 6 shows that the selected priority strategy alternatives on the criteria for increasing new products that can be prioritized in increasing the added value of KWT Matahari are the analyzer strategy with a weight value of (0.4448), second is the prospector strategy with a weight value of (0.3155), third is the defender strategy with a weight value of (0.1545), and fourth is the reactor strategy with a weight value of (0.085). The inconsistency ratio of alternative strategies for product quality criteria is 0.0928, which means that it is still below the tolerance of 0.1 so that the criteria are said to be consistent.
3. Table 6 shows that the selected priority strategy alternatives on product quality criteria that can be prioritized in increasing the added value of KWT Matahari are defender strategies with a weight value of (0.3955), second is the prospector strategy with a weight value of (0.2266), third is the analyzer strategy with a weight value of (0.1902), and fourth is the reactor strategy with a weight value of (0.1875). The inconsistency ratio of alternative strategies for product quality criteria is 0.038, which means that it is still below the tolerance of 0.1 so that the criteria are said to be consistent .
4. Table 6 shows that the selected priority strategy alternatives on customer satisfaction criteria that can be prioritized in increasing the added value of KWT Matahari are defender strategies with a weight value of (0.4536), second is the prospector strategy with a weight value of (0.2295), third is the analyzer strategy with a weight value of (0.1863), and fourth is the reactor strategy with a weight value of (0.1304). The inconsistency ratio of alternative strategies for product quality criteria is 0.0692, which means it is still below the tolerance of 0.1 so that the criteria are said to be consistent.

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The next processing that will be done after knowing the alternative weights for each criterion is to calculate the overall weight. The results of the calculation of the overall alternative weight can be seen in Table 7.

Table 7 Overall alternative weighting results

Alternative	Score	Rank
Prospector Strategy	0,351341454	1
Defender Strategy	0,26066202	2
Reactor Strategy	0,146820551	4
Strategy Analyzer	0,241175976	3

Source: Primary data processed (2024)

The alternative strategy chosen by respondents with the highest weight is the prospector strategy with a weight of 0.3513. In accordance with the results of the calculation, to achieve the four criteria for business improvement, the alternative choice that has the highest weight value is the prospector strategy alternative. The prospector strategy is a continuous innovation that finds and exploits new products and market opportunities. The prospector strategy in KWT Matahari's fried shallot processing can include product innovation, such as developing various fried shallot flavors and introducing attractive packaging. Production technology is also improved by using automatic frying machines and quality management systems.

After the prioritization criteria are determined, an assessment of the importance of each alternative strategy is carried out to calculate the overall weight. The results show that the prospector strategy has the highest weight of 0.3513, followed by the defender (0.2606), analyzer (0.2411), and reactor (0.1468) strategies. The prospector strategy is the top priority because it focuses on market stability and product innovation, in accordance with KWT Matahari's target consumers, and in line with Anwar and Wibowo's research (2020). The defender strategy, which focuses on customer satisfaction, is the second priority, supporting the research results of Ramli and Yani (2019). The analyzer strategy, with the third weight, allows for product innovation while maintaining the market, as suggested by Hendri and Nuraini (2021). The reactor strategy, despite being the fourth priority, is suitable for the situation of KWT Matahari, which has not yet faced strong competitors, in accordance with the findings of Susanto and Jaya (2022).

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CONCLUSION

The conclusions that can be drawn from the research "Analysis of Fried Onion Business Value Chain and Value Added Strategy for KWT in Kendari City (Case Study: KWT Matahari, Anawai Village)" are as follows:

1. KWT Matahari increases the value of fried shallot products through quality raw materials and efficient production processes, while winning the competition with innovation and market expansion, in accordance with food industry best practices to maintain competitiveness.
2. The added value of fried shallot products created from one production process is Rp5,202/kg with a value-added ratio of 10%. The profit rate reached 60.01%, indicating that the fried shallot processing business in KWT Matahari provides positive added value.
3. The improvement strategy that shows that the priority criteria in improving fried shallot business in KWT Matahari that can most increase added value is improving product quality. Meanwhile, the most effective alternative to increase added value is the implementation of a prospector strategy.

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