

Original Research Article

Strategies for the Development of Tilapia Fish Floss Processing Businesses: A Case Study in Cijambe Village, Cijambe Sub-District, Subang District

ABSTRACT

Aims: This study aims to analyze the strategic development of UMKM Ibu AAS's tilapia fish floss processing business, evaluating its internal and external factors to determine appropriate growth strategies.

Study Design: The research follows a case study design focusing on a single business unit, UMKM Ibu AAS, to understand its operational, financial, and strategic aspects.

Place and Duration of Study: The study was conducted at UMKM Ibu AAS, Cijambe Village, Subang District, over a period of six months from January to June 2021.

Methodology: This study employed qualitative and quantitative methods, including SWOT analysis, financial analysis, and observational techniques. The financial analysis covered short-term and long-term aspects, while the SWOT analysis helped identify the strengths, weaknesses, opportunities, and threats of the business. Primary data were collected from business records, interviews with key personnel, and direct observations.

Results: The study revealed that UMKM Ibu AAS, despite having solid operational strengths and a strategic location, faces challenges in capital limitation and high production costs. The business shows potential for growth, indicated by a strong market demand and advantageous relationships with consumers. Financial analysis suggests profitability with an R/C ratio of 2.027, indicating efficient revenue generation against costs. The SWOT analysis positions the business in Quadrant I, suitable for aggressive growth strategies focusing on exploiting strengths and opportunities.

Conclusion: UMKM Ibu AAS has a promising future in the tilapia fish floss industry, contingent on strategic capital investment and efficient management. The study recommends adopting aggressive growth strategies, enhancing production technology, expanding market reach, and establishing stronger partnerships to capitalize on the available opportunities.

Keywords: Business, Financial, Strategy, Tilapia.

1. INTRODUCTION

Based on the 2022 quarterly data from the Ministry of Marine Affairs and Fisheries (KKP), the estimated total fisheries production in 2022 was 24.85 million tons, comprising 7.99 million

tons from capture fisheries and 16.87 million tons from aquaculture. This significant production is influenced by an increasing population and a growing awareness of the importance of nutrition, which has bolstered the domestic demand for fishery commodities (1). In the context of West Java Province, the region's strategic access to marine, riverine, and lacustrine fishery resources positions it as a key player in fishery processing ventures. The province recorded a fishery production of approximately 263,847 tons in 2019, including both marine capture fisheries and inland water fisheries. This diverse production base enables the processing of a wide array of fish, shrimp, crabs, and other marine products into high-value goods, with tilapia fish floss being a standout product. Turning to Subang District, its proximity to major cities like Bandung and Jakarta, coupled with its rich natural resources and key fishery contributors, underlines its significant role in West Java's fishery production. The district's contribution is notable in both fresh and processed fish, with tilapia fish floss processing emerging as a prominent industry (2).

However, entrepreneurs in Cijambe Village, Subang District, who are engaged in tilapia fish floss production, face several challenges. These include modest fish consumption levels, the village's less strategic location due to its distance from urban centers, and competition from beef floss producers (3). Despite these hurdles, Cijambe Village, with its abundant fishery resources and a community skilled in fish processing, presents a unique opportunity for the development of the tilapia fish floss processing business. The development of this business in Cijambe is not without its challenges. The competitive landscape of the tilapia fish floss industry is a critical factor to consider, especially given the abundance of processed fish products in the market (4). Understanding market dynamics and developing effective strategies to navigate local and regional competition are essential for success. Furthermore, the need for investment in suitable equipment and infrastructure, which comply with production standards, is vital (3). Assessing the capital requirements and identifying appropriate technologies are crucial steps towards achieving efficient and quality production. Additionally, the success of the product and the productivity of the business heavily depend on the workforce's ability to process fish into high-standard floss. Evaluating the skills of the local workforce and proposing ways to enhance their capabilities is therefore imperative. Lastly, adhering to health and food safety standards set by regulatory bodies is a must for fish floss processing. Identifying the necessary permits and regulations, and suggesting ways to comply with these standards, will ensure the sustainability and growth of the tilapia fish floss processing industry in Cijambe Village. This holistic strategy is expected to enhance fish processing technology in the region and increase fish consumption in Subang District, contributing significantly to the local economy.

The concept of strategy plays a pivotal role in the development of any business, including the tilapia fish floss processing industry (5). Strategy involves setting organizational goals while considering both external and internal factors, formulating specific policies and strategies to achieve these goals, and ensuring their precise implementation to realize the organization's primary objectives. Chandler defines strategy as the long-term objectives of a company and the deployment and allocation of essential resources to achieve these objectives (5). Strategic management, as outlined by Jauch and Glueck (6), encompasses a series of decisions and actions leading to the formulation of effective strategies that aid in achieving corporate goals. The process of strategic management is the manner in which planners establish objectives and make decisions. These strategic decisions, which include the scope of business, products, and markets to be served, are instrumental in achieving objectives. However, the execution of strategic management involves not only decision-making but also anticipating future conditions and preparing for them.

This competitive advantage is unattainable by other competitors and is crucial in fulfilling organizational objectives (7). Strategies are utilized to achieve three main goals: decision-

making support, coordination and communication advice, and conceptualization (8). The internal environment analysis of the tilapia fish floss business is crucial for identifying strengths and weaknesses. Kotler emphasizes that understanding internal factors provides insight into the business condition, including strengths and weaknesses (9). A company uses its internal strengths to ward off external threats, while internal weaknesses can be mitigated by exploiting external opportunities and factors. Furthermore, factors like Human Resources, Marketing, Production or Operations, Finance, Research and Development, and Information Systems play significant roles in the overall strategy of a company. Human Resources, for instance, are crucial in achieving company objectives, and all functional aspects like marketing, finance, production, etc., succeed only if the human resources of the company are well-managed. Marketing, defined by Kotler (9) as a social process where individuals and groups obtain what they need by creating and exchanging valuable products freely with others, can be categorized into product, price, distribution, and promotion. The company's survival and profitability depend on effective marketing. The external environment, consisting of both micro and macro environments, presents opportunities and threats outside the company's control. The micro-environment, close to the company, affects its ability to serve its customers and includes suppliers, marketing intermediaries, customers, and competitors. The macro-environment, as per Kotler (9), includes broader societal forces that affect the micro-environment and the company's marketing activities, such as the demographic, economic, natural, technological, political/legal, and socio-cultural environments. Lastly, the SWOT Analysis systematically identifies various factors to formulate company strategies (10). It is based on the logic of maximizing Strengths and Opportunities while minimizing Weaknesses and Threats. The development of a company's mission, objectives, strategies, and policies is always linked with strategic decision-making. Strategic planning involves analyzing these strategic factors (strengths, weaknesses, opportunities, and threats) in what is known as a situational analysis. Situational analysis is a means of obtaining strategic capability between external opportunities and internal capabilities of the company, consisting of four factors: Strengths, Weaknesses, Opportunities, and Threats.

2. MATERIAL AND METHODS

The methodology of this research, designed to align with academic article requirements, focuses on a case study and questionnaire approach concerning the tilapia fish floss business in Cijambe Village, Subang District. The case study method examines specific events, situations, or social conditions to provide an understanding of the processes explaining how these events or situations occur (11). The questionnaire serves as a data collection tool presenting written questions or statements to respondents for their responses (12). This approach aims to offer a comprehensive picture of the background, quality, and distinct characteristics of the case or individual status, making these traits generalizable.

For data types and sources, the research utilizes both primary and secondary data. Primary data is gathered through interviews and observations with structured questionnaires, capturing information such as income, education level, and fishing business activities. Secondary data is sourced from various authorities, including the Subang District Fisheries Office, the Central Statistics Agency, and other relevant publications and research reports (12)

The sample determination method employed is purposive sampling where respondents, including tilapia fish floss business owners and customers, are deliberately chosen for a specific purpose, using logic based on applicable principles (12). This technique facilitates the collection of information necessary for addressing the research problem. Data analysis involves examining, studying, comparing, and identifying issues, and can also be used to discover problems. Descriptive analysis, a form of statistical analysis, is used to describe or analyze research results but not for making broader conclusions. The analysis will focus on

the prospects of the tilapia fish floss industry and the development of strategies using the SWOT tool (10).

The financial aspect used in this research aims to assess a company's ability to generate revenue and the associated costs incurred. This aspect is crucial for determining the feasibility of the business. The criteria for financial analysis include Benefit-Cost Ratio (BCR) analysis, Pay Back Period (PBP), Break-Even Point (BEP), and Cost of Goods Sold (COGS). These analyses help in evaluating the financial viability and sustainability of the business. The technical aspect assesses the availability of raw materials, processing technology, and food safety, including the application of the Hazard Analysis Critical Control Point (HACCP) system and Good Manufacturing Practices (GMP). These technical aspects are vital in ensuring the project's technical feasibility and operational safety. Marketing aspects, as defined by Kotler (9), involve the social process by which individuals and groups obtain their needs by creating and exchanging valuable products with others. The marketing channels, efficiency, and margin are analyzed to understand the distribution and profitability of the product in the market.

Finally, the SWOT analysis identifies various components comprehensively to formulate business strategies (13). This analysis maximizes strengths and opportunities while minimizing weaknesses and threats. The analysis includes the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS), as well as the use of IFE and EFE matrices. This approach helps in developing strategic matrices and formulating strategies that consider both internal and external factors, leading to the creation of SO, ST, WO, and WT strategies. These strategies are designed to leverage strengths to seize opportunities, use strengths to overcome threats, exploit opportunities to minimize weaknesses, and adopt defensive actions to minimize weaknesses and avoid threats.

3. RESULTS AND DISCUSSION

3.1 Overview of the Research Location

In conducting this research within the Subang District of West Java Province, a region marked by its diverse geographical and topographical features, the study intricately explores the dynamics of the tilapia fish floss processing industry. The district, strategically positioned between 107°31' to 107°54' East Longitude and 6°11' to 6°49' South Latitude, rises approximately 1500 meters above sea level. It is flanked by the Java Sea to the north and surrounded by other districts, each contributing to its multifaceted socio-economic landscape. The demographic composition of Cijambe Village, as of 2020, reveals a population of 6,718, characterized by varied age groups and occupational backgrounds. This demographic information is not merely statistical data; it forms the backbone of understanding the socio-economic fabric of the community. Such insights are crucial in assessing the potential and challenges of fisheries and related industries within this locale. Cijambe Village emerges as a hub of significant fisheries potential, a facet that has shaped the livelihoods and economic activities of its residents (14). The village, replete with settlements maximizing their land for aquaculture, has fostered a thriving aquaculture community. These activities are not just economic pursuits but are emblematic of the village's adaptation and resilience in leveraging its natural resources.

3.2 Business Aspects

3.2.1 Technical Aspect

Focusing on UMKM Ibu AAS, a tilapia fish floss processing business established in 2014, the study traces its trajectory from inception to its current standing. Initially offering a spectrum of tilapia products, the business pivoted to specialize in tilapia fish floss, a decision steered by

the product's higher market demand. This strategic shift and focus have been instrumental in the business's growth, enabling it to carve out a niche in the local market and gain recognition, as evidenced by its success in local trade exhibitions (8). The technical aspects of UMKM Ibu AAS's operations are meticulously examined, illuminating the intricate processes that underpin the business's profitability and sustainability. The study meticulously outlines the infrastructure and facilities integral to the production process, highlighting their pivotal role in ensuring efficiency and product quality. This detailed exploration into the production process, from preparation to packaging, lays bare the complexities and nuances of manufacturing tilapia fish floss (5). Each stage of production, carefully orchestrated and executed, is a testament to the business's commitment to excellence and innovation. Through this comprehensive exploration of the tilapia fish floss processing business in Cijambe Village, the study not only provides a window into this particular enterprise but also reflects on the broader potential and challenges faced by the industry. It accentuates the importance of an in-depth understanding of both the micro and macro aspects of such businesses, crucial for their successful operation and expansion. This research thus contributes significantly to the academic discourse on small-scale industries in rural settings, offering valuable insights and implications for practitioners and policymakers alike (8).

3.2.2 Marketing Aspect

The marketing aspect of the tilapia fish floss business at UMKM Ibu AAS is a critical component that shapes the success and outreach of the enterprise. Drawing from Kotler's (9), marketing is identified as a blend of social and managerial processes through which individuals and communities fulfill their needs and desires by producing, selling, or exchanging goods and services. This concept is rooted in the core elements of marketing such as needs, wants, demand, goods and services, added value, cost, satisfaction, exchange, transactions, market, marketing, and market actors. The role of marketing, thus, is pivotal as a mediator between producers and consumers, aimed at fulfilling consumer needs and desires through the exchange process.

In exploring the marketing channels, some researchers elucidate that the distribution of goods from producers to consumers involves one or more intermediaries known as marketing channels (15). These channels consist of traders who buy and sell goods regardless of whether they own the merchandise or act as agents. The marketing channels for UMKM Ibu AAS's tilapia fish floss are relatively straightforward, involving direct sales to consumers through souvenir shops, with orders placed via WhatsApp. Moving on to the marketing areas, Kotler highlights the importance of market research in selecting marketing areas, considering consumer purchasing power and geographical location (9). The choice of marketing area is critical for business expansion and success. UMKM Ibu AAS's marketing area includes Subang, Jakarta, Bandung, and other cities or districts. The marketing mix is an integrated set of marketing activities that support each other (9). Success in marketing is underpinned by effective product selection, appropriate pricing, efficient distribution channels, and impactful promotion. The four elements of the marketing mix – Product, Price, Place, and Promotion – must work in harmony to achieve marketing objectives and customer satisfaction. Related to product, UMKM Ibu AAS guarantees the quality of its tilapia fish floss, adhering to standardized operating procedures (S.O.P) for hygiene and halal certification. The consistency in taste and high nutritional value of the product is maintained throughout the production process. The about the price, the strategy involves minimizing production costs to offer competitive pricing. The partnership with local cooperatives (POKDAKAN) aids in this endeavor. The product is sold to souvenir shops at a particular price, with a markup for the final consumer sale. After that the place, strategic location selection, close to raw materials and markets, reduces operational costs and enhances efficiency in production and distribution. Then, promotional efforts by UMKM Ibu AAS aim to boost business revenue. Participation in exhibitions and workshops, along with social media marketing on platforms like WhatsApp,

Instagram, and Facebook, helps in product outreach. After that UMKM Ibu AAS also engages in charitable activities, allocating a portion of its earnings as zakat, reinforcing its commitment to social responsibility (15).

The marketing margin is the difference between the selling and buying price, serving as an indicator of the efficiency of a marketing system (16). The calculation of this margin provides insights into the profitability and effectiveness of the marketing strategy employed by UMKM Ibu AAS. Marketing efficiency posits that marketing is efficient when the marketing costs are lower than the value of the marketed product, with lower marketing costs relative to the product value indicating higher efficiency(16). The marketing efficiency at UMKM Ibu AAS is calculated to be around 49.32%, suggesting that there is room for improvement, particularly in the areas of distribution and cost management. This efficiency level indicates that while the business is performing reasonably well, optimizing the delivery process and reducing associated costs could further enhance marketing efficiency.

Targeting is another crucial aspect of marketing. Kotler (9) emphasizes the importance of choosing one or more market segments to optimize market reach. The concept of targeting involves prioritizing, variability, and flexibility in market approach. Primyastanto (2016) notes the importance of focusing on specific products for targeted markets. UMKM Ibu AAS, for instance, produces a single product – tilapia fish floss – maintaining consistent quality and packaging across all markets. There is no differentiation in products for various markets, with the primary buyers being souvenir shops in Subang.

Positioning involves differentiating and placing a product in the consumer's mind relative to competitors (17). It's about fulfilling consumer desires in a specific category. In the context of UMKM Ibu AAS, positioning revolves around attributes, users, and competitors. The brand "BANGZAY", symbolizing happiness in Japanese, is intended to evoke positive feelings among consumers. The target consumers are not distinguished by age or status, as the product is versatile, serving as a snack or a side dish. The main competition for UMKM Ibu AAS's tilapia fish floss is within the souvenir shops, where various other products are also available.

In summary, the marketing aspects of UMKM Ibu AAS's tilapia fish floss business encompass a comprehensive approach, integrating product quality, strategic pricing, optimal placement, effective promotion, social responsibility, efficiency analysis, targeted marketing, and strong positioning. While the business has established a solid foundation in these areas, continuous improvement, particularly in marketing efficiency and positioning, could further enhance its market presence and success.

3.2.3 Financial Aspects

In examining the financial aspects of UMKM Ibu AAS's tilapia fish floss business, a detailed analysis reveals a robust picture, both in terms of short-term operations and long-term viability, underscored by various financial metrics and indicators (18). Initially, the business's capital investment, a critical factor was substantial, totaling IDR 240,009,500. This initial outlay funded essential equipment for fish floss production, such as fish scoops, buckets, knives, and stoves, alongside a yearly depreciation cost of IDR 1,353,250. This investment laid the foundation for the business's operational capabilities, enabling it to embark on its production journey effectively. Transitioning to the operational expenses some experts (19) emphasize the importance of accounting for both fixed and variable costs in production. In the case of UMKM Ibu AAS, the total production costs amounted to IDR 105,649,700. This figure encapsulates the fixed costs, including depreciation and employee salaries, and the variable costs incurred from raw materials like fish, spices, and packaging materials. These costs directly influence the business's pricing strategy and, ultimately, its market competitiveness. The revenue is a

pivotal indicator of business performance. For UMKM Ibu AAS, the revenue calculation was straightforward—multiplying the unit price by the total number of units sold, resulting in an impressive annual revenue of IDR 151,840,000. This figure not only reflects the business's sales success but also its market acceptance. A critical evaluation of UMKM Ibu AAS's profitability is through the Revenue Cost Ratio (R/C Ratio), as per Warisno and Dahana (2009). With an R/C Ratio of 2.027%, the business demonstrates profitability, where the revenue generated significantly surpasses the operational costs. This ratio is a clear indicator of financial health, suggesting that the business is not just covering its costs but also generating a substantial surplus. Moreover, the profitability, as conceptualized by Wahab (2011), is calculated by subtracting total costs from the revenue. UMKM Ibu AAS's annual profit stood at IDR 76,943,550, a testament to its financial success. This profitability underscores the business's ability to not only sustain its operations but also to potentially reinvest and explore growth opportunities. Additionally, the Break-Even Point (BEP) (19) is a vital metric in financial analysis. UMKM Ibu AAS's BEP analysis revealed that its sales and revenue considerably exceeded the BEP, further affirming the business's profitability and financial stability.

In the realm of long-term financial planning, the business's Net Present Value (NPV) stood at IDR 34,809,419. This positive NPV is indicative of the business's viability and future potential, as it suggests that the total benefits surpass the total costs. The Net B/C Ratio, exceeding 1 (at 1.15), aligns with this positive outlook, indicating that the business is well-positioned for growth and expansion. The Internal Rate of Return (IRR) at 18% is another crucial indicator of the business's investment efficiency. This rate surpasses typical bank interest rates, suggesting that investing in the business is more profitable than traditional bank deposits. Lastly, the Payback Period (PP) of approximately 3.49 years, translating to about 41.923 months, indicates a relatively quick recovery of the initial investment, signaling a lower risk and enhancing the investment's appeal.

Overall, the financial analysis of UMKM Ibu AAS's tilapia fish floss business paints a picture of a robust and financially sound enterprise. The favorable short-term financial metrics, including a substantial revenue, a strong Revenue Cost Ratio, and significant profitability, highlight the business's effective cost management and market acceptance. The long-term financial indicators, such as the positive NPV, an advantageous Net B/C Ratio, an impressive IRR, and a reasonable Payback Period, collectively suggest not only the current financial health of UMKM Ibu AAS but also its promising potential for future growth and expansion. These financial findings are pivotal for strategic planning and decision-making, offering a comprehensive understanding of both the present status and future prospects of the tilapia fish floss business. Such a detailed financial analysis is crucial in the dynamic market environment, ensuring that UMKM Ibu AAS remains competitive and financially resilient in the face of evolving market demands and economic conditions.

3.2.4 Internal and External Aspects

The comprehensive analysis of UMKM Ibu AAS's tilapia fish floss business, focusing on internal and external factors, reveals a nuanced understanding of its operational dynamics and market environment, crucial for strategic planning and development (10). Related to internal factors, the business's internal landscape is characterized by a mix of strengths and weaknesses. On the strength side, UMKM Ibu AAS benefits significantly from its technologically efficient processing methods. The adherence to standard operating procedures ensures that the fish floss production is both practical and hygienic, spanning from initial washing to final packaging. Additionally, the design and placement of fish ponds adjacent to the production area enhance operational efficiency, reducing time and labor costs. Financially, the business stands on solid ground, showing profitability and financial sustainability, which is further bolstered by its strategic location near the target market,

facilitating reduced distribution costs and enhanced market access. However, the business faces certain internal challenges. A primary weakness is the limited capital available for expansion, constricted further by high operational costs. This limitation affects the business's ability to scale up production to meet increasing market demand. Another challenge is the inadequate transportation capacity, which hampers efficient product delivery and limits the business's ability to fulfill large orders promptly. Additionally, the high production costs pose a significant hurdle, restricting the business's market reach, particularly in appealing to the middle and lower-income segments.

Externally, the business environment presents both opportunities and threats (10). A major opportunity lies in the high market demand for tilapia fish floss, particularly from retail outlets and supermarkets, signaling potential for business expansion. Another opportunity is the business's ability to maintain strong customer relationships, crucial for customer retention and fostering repeat business. Conversely, the business faces threats from the competitive market dynamics, where beef floss predominates, challenging tilapia fish floss in gaining a larger market share. Moreover, the rising costs of raw materials and production pose a threat to maintaining profit margins and require strategic adjustments in the business's pricing strategy to remain competitive.

In conclusion, this analysis provides UMKM Ibu AAS with a clear picture of its internal capabilities and external market conditions. By leveraging its technological efficiency, strategic location, and financial health, the business can capitalize on the growing market demand and strong customer relationships. However, addressing the challenges of limited capital for expansion, inadequate transportation, and high production costs is crucial for sustaining growth. Navigating these internal and external factors effectively will enable UMKM Ibu AAS to enhance its market position and pursue sustainable business development in the competitive tilapia fish floss industry.

3.3 SWOT ANALYSIS

In the context of UMKM Ibu AAS's tilapia fish floss processing business, a SWOT analysis reveals a strategic development plan grounded in the company's strengths, weaknesses, opportunities, and threats (10). The insights from this analysis are pivotal for the business located in Cijambe, Subang, West Java. The internal strengths of the business include sophisticated fish floss processing technology, practicality in fish pond design facilitating operational ease, a strategic position in proximity to the target market, and a financially sound business model that is both profitable and feasible (10). These strengths form the basis for aggressive strategies to boost production using advanced processing technology and to tap into the expansive market network. On the other hand, the company's weaknesses, such as limited capital for expansion, inadequate transportation, and high production costs, necessitate strategies to secure capital from institutions, ensuring ample stock to meet demand and manage resources efficiently. The business's internal weaknesses require a focused approach to increase productivity and develop the business sustainably. Opportunities present in the external environment, such as the high demand for fish floss and strong consumer relationships, are ripe for capitalization. These opportunities can be leveraged to expand market reach and solidify distribution channels. Conversely, external threats including market competition and rising production costs, call for strategies that provide intensive monitoring of climate or weather changes and improvements in the quality and quantity of the production system (20).

<p style="text-align: center;">Internal Factors</p> <p style="text-align: center;">Eksternal Factors</p>	<p>Strength (S)</p> <ol style="list-style-type: none"> 1. Good fish floss processing technology 2. Practical fish ponds facilitate easy handling 3. Strategic location close to the target market 4. Financially profitable and feasible business 	<p>Weaknesses (W)</p> <ol style="list-style-type: none"> 1. Limited capital for business development 2. Inadequate transportation hindering product distribution 3. High production costs
<p>Opportunities (O)</p> <ol style="list-style-type: none"> 1. High market demand 2. Good relationships with consumers 	<p>SO Strategy</p> <ol style="list-style-type: none"> 1. Harnessing advanced processing technology and quality to boost production and expand the market network. 2. Leveraging the strategic location to increase market reach and enhance distribution channels. 	<p>WO Strategy</p> <ol style="list-style-type: none"> 1. Seek capital assistance from relevant institutions to increase productivity so that business development can be carried out. 2. Stocking products so that there is sufficient product availability so that if there is a demand, the product is already there. 3. The product is already there.
<p>Treats (T)</p> <ol style="list-style-type: none"> 1. Competition in the market 2. Increasing production costs 	<p>ST Strategy</p> <ol style="list-style-type: none"> 1. Provide intensive monitoring in the event of climate or weather changes. 2. Improving the quality and quantity of the production system. 	<p>Strategy WT</p> <ol style="list-style-type: none"> 1. Improved production management & a strong treasury system so that income and expenditure can be properly managed..

Table 1 SWOT Analysis

The SWOT matrix has identified that the business resides in Quadrant I, indicating a favorable situation with the potential to exploit opportunities using its strengths. The business is positioned to adopt an aggressive strategy to maintain quality, continuity, and technological advancement in processing while expanding production quantities. Additionally, the business aims to enhance distribution networks and partnerships, ensuring growth and resilience in the face of competition and market fluctuations.

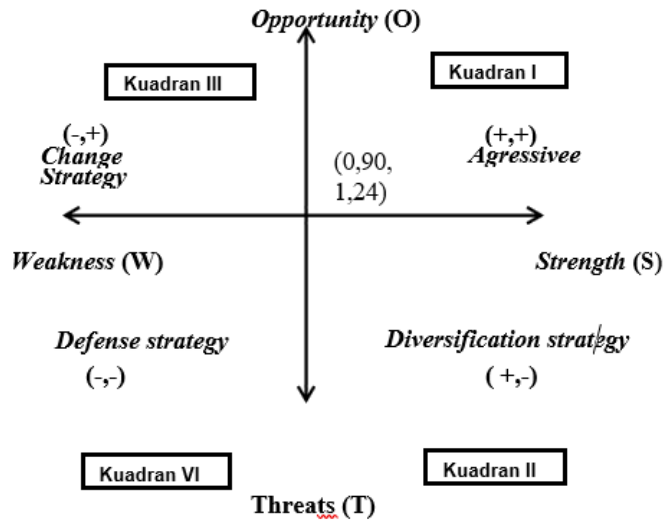


Figure 1 SWOT Diagram

The strategic positioning of UMKM Ibu AAS within the SWOT diagram reflects a quadrant that suggests an aggressive approach is not only feasible but recommended. The enterprise stands to benefit from exploiting its strong internal factors to seize external opportunities. Specifically, the business can consolidate its sophisticated processing technology and strategic location to bolster production and tap into the burgeoning market demand. In doing so, it can reinforce its relationships with consumers, which is a cornerstone of its current success (13).

To address the weaknesses and threats, the business might consider diversifying its strategies. For example, seeking capital investments could help overcome the limitations of financial resources for expansion. Meanwhile, improving the efficiency of transportation logistics could mitigate the risks associated with high operational costs. By doing so, the business can not only survive but thrive, even when confronted with external threats such as market competition and rising costs (13).

Adopting a proactive stance to continually improve the production system's quality and quantity is vital. It aligns with the need to navigate the challenges of a competitive market while managing the high cost of production that can impede growth. Strategic financial planning is essential to maintain profitability and leverage the business's close proximity to its market, ensuring cost-effective distribution and a competitive edge (13).

The analysis of internal and external factors through the SWOT framework thus provides UMKM Ibu AAS with a roadmap for strategic development. By maintaining a strong focus on quality and technological advancement in processing, and by building robust distribution networks and partnerships, the business is well-placed to capitalize on the high market demand for its products. Concurrently, addressing weaknesses such as capital limitations and transportation inefficiencies, along with external threats like competition and fluctuating production costs, will be critical to sustaining the business's growth trajectory. With a sound strategic plan derived from the SWOT analysis, UMKM Ibu AAS can look forward to a promising future (10).

Based on the SWOT analysis of the UMKM Ibu AAS business, results place it in quadrant I, which is aggressive, adopting an SO (Strengths Opportunities) strategy. Here are the strategic implementations that UMKM Ibu AAS can undertake to capitalize on existing opportunities with its strengths as effectively as possible. To maintain high quality, each step of the activity must adhere to established procedures and comply with the SOPs that have been created, thus preserving quality. Production management needs to be applied to the processing of tilapia floss, with regular scheduling for stocking and harvesting to avoid empty ponds and ensure the continuity of tilapia floss processing. The stocking density must be carefully managed to maximize fish density, achieve the expected output, and increase production quantities. As technology continues to evolve, sharing knowledge or learning within the group or elsewhere is necessary to keep up with technological developments and apply them to the tilapia floss processing business. Proper financial management is also crucial to minimize expenditures and maximize income through disciplined financial management (10). If capital is sufficient, it is possible to expand the production units by adding more units to increase production quantity. This is recommended as the business has proven viable for expansion. Research has shown that with expenses amounting to IDR 74,896,450, a revenue of IDR 151,840,000 is obtained, yielding an R/C ratio of 2.027. The business's profitability is 102.73%, with an NPV of IDR 34,809,419, an IRR of 18%, and a payback period of 3.49 years, or precisely 41.88 months or 1273.85 days.

The implementation of a good standard operating procedure (SOP) can enhance both the quality and quantity of the expected output. The creation of SOPs for this SME should be applied to achieve good output. Good service, coupled with excellent products, will increase sales as consumers trust the product being sold. Expanding the marketing territory or reach should be enhanced to increase demand and ultimately production, thereby expanding the distribution network. Partnerships are crucial for this SME with the government, private sector, or individuals, to develop the tilapia floss processing business. Partnerships could involve capital investment, cooperation with feed producers, or partnerships with programs conducted by relevant agencies. For example, feed companies could be suppliers for feed needs, investors could provide infrastructure and facilities, while the SME would act as the operator within the business (10).

4. CONCLUSION

Based on the SWOT analysis conducted at UMKM Ibu AAS, it is evident that the enterprise falls within Quadrant I, indicating an aggressive stance that leverages its strengths and opportunities through a SO (Strengths-Opportunities) strategy. To maximize the potential, UMKM Ibu AAS can implement strategies such as maintaining quality, continuity, and processing technology while increasing production quantities. This involves adherence to established SOPs to ensure consistent quality, managing production schedules for regular supply, and embracing technological advancements for efficient operations. Financial management will play a crucial role in minimizing expenses and maximizing income. Expanding production units when capital suffices will further enhance production quantities, supported by the favorable financial indicators such as a revenue-cost ratio of 2.027, a profitability rate of 102.73%, an NPV of IDR 34,809,419, an IRR of 18%, and a payback period of approximately 3.49 years. Additionally, enhancing quality, distribution networks, and partnerships will help in expanding the market reach and fulfilling the increasing demand for tilapia fish floss.

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