

Analysis of the Business Environment and Entrepreneurship Strategy in Improving SME Culinary Enterprises

Mutmainna*¹, Tien Kumalasari ², Yunarti ³

*^{1,2,3} Politeknik Pertanian Negeri Pangkajene Kepulauan, South Sulawesi, Indonesia

ARTICLE INFO



ISSN: 2620-6196
Vol. 7 Issues 2 (2024)

Article history:

Received – December 25, 2024

Revised – December 28, 2024

Accepted – December 30, 2024

Email Correspondence:

mutmainna74@gmail.com

Keywords:

Internal, External, SWOT Factors, Salenrang SMEs

ABSTRACT

Culinary is a service provider for everyone's basic needs and along with the times, culinary has also become a business trend in society. The purpose of this research is to find out (1) analysis of the business environment and entrepreneurial strategies in improving SME culinary businesses, (2) the best alternative strategies in improving SME culinary businesses. The research method used is descriptive qualitative. The data analysis used is descriptive qualitative in describing the business environment in UKM Salenrang. The results of the analysis of the internal business environment in UKM Salenrang are: (a) HR aspects, (b) financial/accounting aspects, (c) production/operations aspects, and (d) marketing aspects, while the analysis of the external business environment is: (a) strengths economic, (b) technological power, (c) social power, and (d) political power. The results of the entrepreneurial strategy analysis using SWOT analysis by identifying the internal factors of Salenrang SMEs, namely strengths: quality raw materials, affordable product prices, comfortable and strategic shopping places, varied product types and tastes, service, complete public facilities, application discounts, and a neat and clean room design. Meanwhile, weaknesses include a business management system that is not yet optimal, marketing promotions that are not yet intensive and packaging for some products that is less attractive. Identify external factors, namely opportunities, including government policies that support the development of SMEs in Maros Regency, while the threats faced are competitors that have emerged. This condition puts Salenrang SMEs in a growth position.

INTRODUCTION

The culinary business is one of the main drivers of the creative economy in Indonesia. Based on the Special Creative Economy Survey conducted by the Central Statistics Agency in 2016, the culinary sub-sector contributed around 41 percent to Gross Domestic Product in Indonesia. This figure is the highest figure of all SME sub-sectors (Kompas.id, 2018). Increasing the competitiveness of culinary businesses needs special attention from the government, business community and academics, this is because culinary businesses have quite large competitors, especially in food and beverage products. In contrast to large food and beverage businesses, food and beverage SMEs have a high level of competition and compete with other SMEs that provide food and beverage products (Sudaryanto & Wijayanti, 2013 in Toaha, 2020). SMEs developing in South Sulawesi, especially those operating in the culinary sector, have increased from year to year. An overview of the number of micro businesses, small and medium businesses (UKM) and large businesses in South Sulawesi in the last five years (2018 - 2022), namely Micro Businesses increased by 59,074 (7.35%), Small and Medium Businesses by (0, 05%), and Large Businesses experienced no change or an increase of 0%.

Maros Regency is one of the regions in South Sulawesi that has mushroomed culinary SMEs in the last three years. This is because Maros Regency is a transit stop for inter-provincial transportation closest to Makassar City and a provincial traffic route used by people heading to various districts in South Sulawesi. Culinary businesses in this region are small and medium enterprises (UKM) with capital of 300 - 500 million. The culinary business in Maros Regency is very developed and has become a culinary tourism destination for the surrounding community, especially people passing through and traveling to other areas. The development of business groups, especially culinary SMEs in Maros Regency, increases every year. This is because the culinary business not only provides consumers' needs for food and drinks,

but also opens up job opportunities for the people of Maros Regency. SMEs provide enormous employment opportunities, so SMEs in Maros Regency require special attention in determining the attitude values and entrepreneurial needs that can improve the performance of these SMEs. So it is necessary to develop entrepreneurial strategies and the business environment to maximize the efficiency of using factors to develop economic competitiveness, enable SMEs to have a more positive mindset, build sensitivity to the market and create creative thinking. The aim of conducting a business environment analysis is to assess the external environment of SMEs as a whole, where the business environment consists of the internal and external environment.

Entrepreneurial strategy is an individual's attitude and behavior in starting up and running a business. Individuals who have high entrepreneurial strategies tend to have a brave and innovative attitude in running their business. By Therefore, entrepreneurial strategy is an important factor in determining business success in culinary SMEs. The business environment is an external factor that influences the sustainability and success of a business. A conducive business environment will help culinary SMEs increase the success of their business. A business environment that is not conducive will affect the success of culinary SMEs and cause business failure. Business success is a situation where the business experiences an increase from previous results and becomes the main part of a company where all activities in it are aimed at achieving success. The existence of small and medium enterprises (SMEs) has proven to be able to move the wheels of the nation's economy and reduce the number of existing unemployment (Anjuari & Hasibuan, 2022). SMEs were found to be largely related to business performance. By understanding the influence of entrepreneurial strategies and the business environment on culinary SMEs in Maros Regency, business people can take appropriate action to improve business performance. Therefore, research regarding business environment analysis and entrepreneurial strategies in improving culinary businesses in Maros Regency is considered important to carry out. The aim of this research is to find out how the business environment and entrepreneurial strategies can improve SME culinary businesses and the best alternative strategies for improving SME culinary businesses.

RESEARCH METHOD

This research is descriptive research using quantitative methods. This research on business environment analysis and entrepreneurial strategies in improving SME culinary businesses is based on survey research, namely using a questionnaire as a research instrument. This research was carried out at SMEs in Maros Regency. The research area was determined purposively or deliberately with the consideration that SMEs in Maros Regency are culinary business centers. The UKM that is the research location is UKM Salenrang.

The types of data used in this research are Primary Data and Secondary Data. Primary data was obtained through direct interviews with informants (UKM owners) regarding the strengths, weaknesses, opportunities and threats faced by SMEs as well as support from the government. Meanwhile, secondary data is supporting data obtained through searching literature, journals and organizational structures from UKM.

Data analysis uses SWOT analysis. To analyze SWOT more deeply, it is necessary to look at external and internal factors as an important part of the SWOT analysis, namely:

1. These external factors influence opportunities and threats (O and T). Where this factor concerns conditions that occur outside the company which influence company decision making. These factors include the industrial environment and macro business environment, economics, politics, law, technology, population and socio-culture.
2. These internal factors influence the formation of strengths and weaknesses (S and W). Where this factor is related to the conditions that occur within the company, which also influences the formation of company decision making. These internal factors include all kinds of functional management: marketing, finance, operations, human resources, research and development.

RESULTS AND DISCUSSION

Geographic Conditions of Maros Regency SMEs

According to the Maros Central Statistics Agency, there are 168 SMEs spread across 14 sub-districts in Maros Regency. Of the 168 existing SMEs, the majority of SMEs are food (culinary) businesses or industries. One of the UKMs in Maros Regency is the Salenrang UKM which is known as the Maros Salenrang Bakery Shop which is located on Jalan Poros Maros-Pangkep Km 40, in Salenrang Village, Bontoa District, Maros Regency, South Sulawesi.

The Maros Salenrang Bakery Shop was built on February 25 2018 and was founded by Muhammad Reski to develop typical Maros souvenir products as well as open employment opportunities for people around the Maros area by having its own brand, namely Roti Maros Salenrang. When it was first established, UKM Salenrang only produced Original Maros Roti. However, as market demand increases, UKM Salenrang produces various types of products including original Maros bread, various flavors of Maros bread (chocolate, cheese, shredded, pineapple jam, strawberry and grape), shredded rolls, donuts, brownies (baked and steamed), seed bread, Surabaya layer cake, banana roll, chocolate cheese banana bread, chocolate lava and various other types of bread and cakes, the product brand marketed from the beginning until now is "Roti Maros Salenrang".

Since its founding, UKM Salenrang has continued to strive to improve the products it produces, both in terms of quality and quantity. To make this happen, this shop has used modern machines and equipment to make it easier for each employee to produce various kinds of products. And the materials used to make each product are quality ingredients. Currently, UKM Salenrang not only markets processed bread products, but now there is a food stall specifically for heavy food for consumers which has been open since July 2022. Therefore, UKM Salenrang's customers or consumers continue to increase and they plan to develop their business by adding sales locations in the Regency. Takalar.

Characteristics of Research Informants

The research was conducted through in-depth interviews with informants. In selecting informants, purposive sampling or direct appointment was used by considering the completeness of the information that would be obtained from direct information sources. There were 36 informants in this research, consisting of 1 owner of UKM Salenrang, 10 customers who visit and buy at UKM Salenrang every day, and 25 employees of UKM Salenrang.

1. Internal Analysis of the Business Environment

The most important factor in opening a business is a strategic business location and spacious parking, especially culinary businesses such as UKM Salenrang which are located on the side of the provincial main road which makes it easy for customers or consumers to reach and park their vehicles comfortably.

Other factors in the business environment According to Wheelen and Hunger (2003), those found in Salenrang SMEs consist of:

a. Customer

The customers in question are people who always or often buy Salenrang SME products. UKM Salenrang customers are very loyal to the products sold by UKM Salenrang on the grounds that the products sold at UKM Salenrang are many, complete and cheap/affordable. The quality of the products offered is also very good, which has been proven by customers, namely that products such as maros

bread, brownies and other foods have a long shelf life without reducing the taste and color of the product, so customers shop at this location more and more often.

The strategy of giving discounts to loyal customers makes Salenrang UKM busy with visitors, supported by the service provided by the owner, namely providing free cakes and drinks for consumers and drivers. Apart from that, the employees, especially the employees who serve as cashiers (a total of 4 people, divided into 2 shifts in the morning and afternoon) are always smiling and the waiters (servants of goods are 10 people divided into 2 shifts) who are agile and understand every product displayed in the shop window. very effective for maintaining customer loyalty.

b. *Supplier*

Suppliers are parties who provide goods such as raw materials, supporting materials and semi-finished or finished goods that are ready to be resold. Accuracy in choosing suppliers can contribute greatly to business development. UKM Salenrang chose suppliers from Makassar City, including UD. Coang, because the raw materials and supporting materials are more abundant, cheap, guaranteed quality and fast in delivery because the distance is closer.

Determining suppliers can also affect the safety of goods until they reach UKM Salenrang. This is because the goods delivery or expedition service is determined by the supplier. Therefore, UKM Salenrang chooses suppliers who deliver directly to UKM Salenrang such as UD. The Coang.

c. *Competitor*

Competitors are companies that produce the same product. Salenrang UKM competitors are sellers or bakeries in Maros Regency. One of the competitors of UKM Salenrang is the Lempangan Bakery Shop whose owner is the sibling of the owner of UKM Salenrang, but the owner of UKM Salenrang admits that there is no competition and it doesn't really have an impact on his business because each UKM has a strategy to attract customers, whether through the products offered or service strategies provided so that the business remains busy with customers. Apart from that, the owner of UKM Salenrang is optimistic and confident that his fortune will not be confused with anyone else's.

Human Resources Aspect

Human resource management at UKM Salenrang is carried out with good management for all employees. The number of employees at UKM Salenrang is 25 people, consisting of 8 men and 17 women. Employee recruitment at UKM Salenrang is carried out by looking at several considerations with the main consideration being kinship or family relationships. Apart from that, another consideration in recruiting employees is the communication skills and attitude of prospective employees, while educational qualifications are a complement to the recruitment requirements. According to the owner of UKM Salenrang, the employees who work in his shop, do not have no education but are only complementary, a high school diploma is enough, the most important thing is that employees can read, write and count, equipped with prospective employees who are able to communicate, are not silent and serve customers quickly. to be recruited.

Employees at UKM Salenrang generally have high school education with various background experiences they have previously obtained. Employees are also given practical training by the owner of UKM Salenrang on how to manage a shop, how to communicate well with customers, how to make several products produced by UKM Salenrang themselves, and some employees have even taken an English course as a service strategy for foreign tourists who shop at UKM Salenrang. Employees at UKM Salenrang are divided into two work shifts, namely the morning shift and the afternoon shift. Employees who work in the morning shift start from 07.00 to 18.00 WITA, while the afternoon shift starts from 18.00 to 24.00 WITA. Employees have been given their own duties and responsibilities every day, starting from opening the shop, organizing and cleaning the shop to making products and serving customers.

Financial/Accounting Aspects

Salenrang UKM in obtaining the capital sources used initially came from their own capital plus family capital. However, in line with business development, UKM Salenrang is collaborating with Bank BRI through a business credit lending facility with quite flexible loan interest to help businesses such as UKM Salenrang.

Financial management at UKM Salenrang is carried out by the shop's Administration and Finance which is handled by Mrs. Sarinah. The financial allocation from each incoming turnover per month is ± Rp. 100,000,000,- is used to purchase monthly needs outside the Maros Regency area, the rest is allocated for payment of monthly salaries, bonuses, monthly operational costs such as electricity, water and taxes, apart from that the income is allocated for annual needs such as THR.

Production / Operations Aspects

UKM Salenrang provides food and beverage products with various types of bread (such as original Maros bread, Maros pandan bread, various kinds of strawberry jam bread, various kinds of chocolate cheese bread, rolled shredded bread), snacks (for example banana chips, tempe chips, dodol, pastries, etc.), and various types of drinks (such as mineral water, canned drinks, milk, etc.). The products specialized in UKM Salenrang are types of bread and pastries which are produced by UKM Salenrang themselves, while other products are collaborations with home businesses located around UKM Salenrang.

UKM Salenrang's maros bread product is a superior product produced from the manufacturing kitchen in the Salenrang UKM Shop. Bread is made by experienced employees using quality ingredients and various flavors which are the result of the creation and innovation of UKM Salenrang employees in the production department.

Marketing Aspects

The products at UKM Salenrang are various types of bread and snacks, as well as various types of drinks whose quality has been proven by consumers because the products are made using quality raw materials and clean production places (bread making) as well as maintaining the taste of the food and drinks marketed. The prices of the products offered are also affordable and there are even several strategies implemented so that consumers can buy products easily, namely in the form of discounts and the "Buy One Get One" strategy, such as bread products which are made specifically to implement this strategy. The strategic position or location means that the Salenrang Bakery (UKM Salenrang) is easy to find, coupled with spacious parking facilities, making it very comfortable for consumers to stop for a moment to enjoy the snacks at UKM Salenrang.

In increasing sales, UKM Salenrang currently uses direct sales and sales promotions. Salenrang UKM products are marketed through social media such as Instagram and Facebook Business, only to introduce the products being sold but have not carried out online sales transactions. Marketing that is considered effective by UKM Salenrang is collaboration with provincial transport drivers who pass by the Maros Salenrang Bakery location. This strategy is carried out by making the driver a member who gets a bonus if he brings in buyers every day. The daily bonus is in the form of cigarettes and drinks, while the monthly bonus is in the form of Rp. 150,000,- per month if you meet the target indicated by the member card stamped by the owner of the Salenrang bakery.

Another strategy used in marketing products at UKM Salenrang is providing facilities in the form of bread and tea or coffee drinks that can be enjoyed by customers who stop by this shop. Apart from that, the facilities include prayer rooms, toilets and rest areas that are clean and comfortable for customers who want to use them.

2. External Environmental Analysis

Economic Strength

The economic impact felt by Salenrang UKM was when raw material prices soared due to government policy. During the time that UKM Salenrang has been operating, it has experienced two jumps in raw material prices, namely in 2021 and 2022 with a price increase of $\pm 2\%$ for each item, for example granulated sugar from Rp. 13,667,- to Rp. 14,000,-. This greatly influences the production operational planning carried out by UKM Salenrang. The strategy used to ensure that the price of Maros bread sold remains affordable for customers is to reduce the weight of the bread and the shape of the bread without reducing the taste of the bread.

Tecnology Strength

The technological strength utilized by UKM Salenrang is the use of production equipment machines, including the use of ovens for baking bread and bread processing equipment which no longer uses human power but uses electricity/machines so that the results are faster and more even. The application of technology is also used in the marketing section, namely packaging design and promotional design on the internet.

Social Strength

The social strength possessed by UKM Salenrang is providing a comfortable place to rest for a while such as sofa seating, a prayer place for Muslims (Musholah) which is air conditioned, clean and separate toilets for men and women and provides a beautiful view for just selfies / photos.

Politic Strength

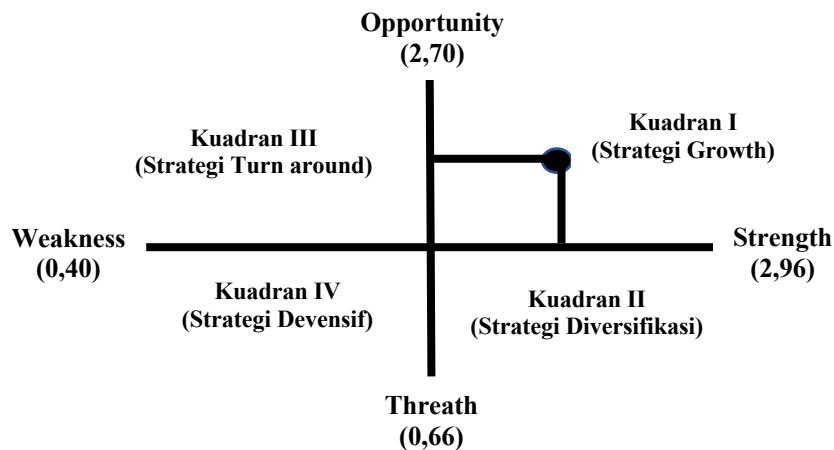
The political power possessed by UKM Salenrang is legal licensing, a halal label for each product and a BPPOM label as a healthy product free of dangerous ingredients. All matters related to company administration can be obtained easily because of local government support which makes it easier for every SME business to manage its administration.

Entrepreneurship Strategy Analysis

In this research, SWOT analysis is used as a strategic tool to determine the most appropriate strategy to be used by UKM Salenrang by looking at the strengths, weaknesses, opportunities and threats of UKM Salenrang. In carrying out a SWOT analysis, first identify the SWOT elements (Strength, Weakness, Opportunity and Threat).

Based on the identification of internal and external factors from UKM Salenrang, an Internal Factor Analysis Summary (IFAS), External Factor Analysis Summary (EFAS) Matrix and SWOT Matrix were created to obtain information regarding alternative strategies chosen by UKM Salenrang. The SWOT matrix for UKM Salenrang is as follows: that the strength factor has a value of 2.96 and the weakness factor has a value of 0.40. The biggest strength factor lies in quality raw materials and affordable product prices. Meanwhile, the biggest weakness factor is the limited quality and quantity of resources. From the results of the Internal Factor Analysis Summary (IFAS) with strength and weakness analysis, a value of 3.36 was obtained and was above the value of 2.5, which means that the internal position of UKM Sanrangan is strong. Based on the results of the External Factor Analysis Summary (EFAS), the biggest opportunity factor is the Maros bread brand which is well known in the community with a value of 0.80. Meanwhile, the biggest threat is competitors who have emerged with a value of 0.40.

Based on the IFAS and EFAS analysis, the position of UKM Salenrang in the SWOT Diagram is located in Quadrant I, namely Growth Strategy, which indicates that UKM Salenrang is in a profitable position because it is able to take advantage of opportunities by maximizing its strengths so that the strategy implemented is to support growth policies. the aggressive one.



Based on the results of the entrepreneurial strategy analysis through the SWOT matrix, Salenrang SMEs need to carry out market expansion strategies and increase product innovation. Overall, from the analysis of these factors, several strategies can be formulated to improve the Salenrang SME business, namely: carrying out product innovation, improving service quality, implementing business management, improving the quality of human resources and implementing digital marketing

CONCLUSIONS

Conclusions that can be drawn from the results of research carried out at UKM Salenrang include: (a) The business environment that influences business at UKM Salenrang is the strategic business location located on the Makassar - Pare axis road which is heavily traveled by private vehicles and public transportation every day. Apart from that, the large parking lot is the main choice for customers to stop by either just to rest or to buy souvenirs at UKM Salenrang. Suppliers, customers and competitors are also factors that benefit or hinder Salenrang SME businesses, (b) Entrepreneurship strategies greatly influence Salenrang SMEs in running their businesses through identifying the strengths, weaknesses, opportunities and threats of Salenrang SMEs. Identification of internal and external factors in Salenrang UKM results in Salenrang UKM's position in Quadrant I, namely implementing strategies to support aggressive growth policies, and (c) The best alternative strategy to be implemented in Salenrang SMEs is to innovate products, improve service quality, implement business management, improve the quality of human resources, and implement digital marketing.

REFERENCE

- As'ad, A., Brasit, N., Muis, M., & Umar, F. (2024). uNVEILING THE ANTECEDENTS OF SuSTAINABLE PERFORMANCE: INSIGHTS FROM HOSPITALITY INDuSTRY MANAGERS.
- Aulia and Yuliati, 2019. Form, Meaning and Function of Social Media Written Language as a Communication and Interaction Tool on the Internet. *Skriptorium*, 2(1), 35–49.
- Anjuari and Hasibuan, 2023. Marketing Strategy Through Social Media Twitter Account @Coftofmks in Increasing Customer Visits Coffee Toffee Makassar, 53(9), 1689–1699. <https://doi.org/10.1017/CBO9781107415324.004>
- Ball, et. all, 2005. International Business, Global Competition Challenges. Book Two, Jakarta. Salemba Four.

- Bird, 1998. Business Environmental Strategy in Improving the Welfare of a Company's Employees. Scholastic. Bandung.
- Tourism Department, 2023. Increasing Culinary Businesses in Tourist Areas. Annual report. Jakarta.
- Freddy Rangkuti, 2000. Creative Promotion Strategy and Case Analysis of Integrated Marketing Communication. PT. Gramedia Pustaka Utama. Jakarta.
- Fred R. David, 2011. Strategic Management. Salemba Four. Jakarta.
- Hariadi, 2020. Management Strategy: Strategy for Winning the Business War. Bayumedia Publishing. Poor.
- Herry and Djaslim, 2018. Social Media in the Marketing Era 3.0. Bandung: PT. Rosdakarya Teenager.
- Hits. et.al, 2021. Strategic Management. Salemba Four. Jakarta
- Hunger and Wheelen, 2003. Strategic Management (Translation). Fifth Edition. PT. Gramedia Pustaka Utama. Jakarta.
- Ireland, 2023. Strategic Management and Company Policy. Media Discourse Partners. Jakarta.
- Igu Soni and Rizal, 2016. We're All Connected: The Power of The Social Media Ecosystem. Business Horizons, 54(3), 265–273. <https://doi.org/10.1016/j.bushor.2011.01.007>.
- Kotler, 2012. Marketing Management in Indonesia. Salemba Four. Jakarta.
- Kuncoro, 2016. How to Achieve Competitive Advantage. PT. Erlangga. Jakarta.
- Kyrgidon and Hughess, 2010. Brand Equity Management. Main Partner. Jakarta.
- Nedi, 2011. Strategy for Growing Resilient Small and Medium Entrepreneurs. Journal of Economics and Education Vol I
- Noersasongko, 2022. Entrepreneurship Changing Times. Empty But Filled Knowledge. Andi Offset. Yogyakarta.
- O'Shannassy, 2008. Analysis of Factors That Influence Student Entrepreneurial Interest. Economic Journal Volume 13.
- Peter Drucker, 1993. Strategic Management Formulation, Implementation and Control. Jakarta.
- Porter, 1980. Competitive Strategy Techniques for Analyzing Industries and Competitors. Bandung.