MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT STRATEGY (MSME) BASED ON CREATIVE ECONOMY IN PANGGUNGHARJO VILLAGE, YOGYAKARTA

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Abstract

This study aims to analyze the development strategy of micro, small and medium enterprises based on creative economy in Panggungharjo Village, Bantul Regency, Special Region of Yogyakarta, and provide alternative strategies that are carried out, faced with the Covid 19 Pandemic. As a tourist village, Panggungharjo Village has great potential to developing, including MSME companies based on the creative economy, namely creative businesses: Dibyo Lurik, Kajeng Handicraft, and Embroidery (Convection). Every MSME has different problems especially when faced with the Covid 19 Pandemic situation. This study uses a qualitative approach with the data sources used are primary and secondary data sources. Data collection techniques by conducting observations, in-depth interviews (in-depth interviews), and documentation. The data analysis technique uses SWOT analysis to determine the main strategy to be carried out by MSME actors in Panggungharjo Village. The results of the research obtained from the results of the SWOT analysis, namely the Dibyo Lurik, Embroidery (Convection) business, are in the first quadrant position with a very profitable situation for the company. Kajeng Handicraft's business is in quadrant II, where a company may face various threats, so it needs to use its strengths in order to take advantage of opportunities.

Keywords: Strategy, Development of MSMEs, Creative Economy, SWOT Analysis

A. INTRODUCTION
   a. Background

One of the backbones of the national economy is the Micro Small and Medium Enterprises (MSME) sector. This business has considerable potential because it covers various fields and involves many people.

MSMEs occupy a strategic position in the national economic structure and concern the lives of many people so that it has a big impact on the national economy. MSMEs are also the largest group of economic actors in Indonesia. Business groups at the bottom level have a very important role especially in terms of job creation (Anggraeni, 2013).

Many local governments are now making the development of the creative economy and creative industries one of the priorities of the program, including the Yogyakarta Special Region (DIY). It is also natural that Yogyakarta is then famous as a creative city or industrial center based on the creative economy. According to Howkins, the creative economy is an economic activity that relies more on ideas or ideas (creative) to manage materials sourced from the surrounding environment into economic value added (Saksono, 2012).

One of them is in Panggungharjo Village,. The village, which is located on the border of Yogyakarta City and Bantul Regency, is now also known as a tourist village.

In that regard, the problems discussed in this study are about the development of business actors by looking at the strategies carried out. To know the strategy in a business, an analysis of the strength, weaknesses, opportunities and threats in the business or also called SWOT analysis, which is useful for evaluating both internal factors and from external factors.

Based on the above rationale, it can be formulated the problem that will be answered in this research is how the strategy of developing
micro, small and medium enterprises (MSMEs) based on the creative economy in Panggungharjo Village, Sewon Subdistrict, Bantul Regency.

B. LITERATURE REVIEW

a. Business Development Strategy

According to Siagan, strategy is a fundamental set of decisions and actions made by top management and applied by all ranks in the organization for the achievement of organizational goals. In Pearce's opinion, strategy is a plan of a company, reflecting the company's awareness of when, where and how to compete in the face of opponents with certain intentions and goals. (Kurniawan, 2021).

b. Micro, Small and Medium Enterprises (MSMEs)

Small and medium enterprises (SMEs) are one of the important parts of a country's economy or region. Various efforts to develop SMEs have been carried out, one of which is by raising and multiplying new people or entrepreneurs in the field of SMEs, so that villagers are given skills in the hope that these skills become a creative business that benefits the economy of families and rural communities (Amin Dwi Ananda & Dwi Susilowati) (Darwanto, 2013).

1. Creative Economy

According to Romer (1993), that idea is a very important economic good, more important than the object that is often emphasized in most economic models and systems. In this world of physical limitations, the discovery of big ideas, accompanied by millions of small ideas, has kept the economy growing dynamically.

In Indonesia, there are 16 subsectors of the creative economy developed, Presidential Regulation (Perpres) Number 72 of 2015 on Changes to Presidential Regulation No. 6 of 2015 concerning the Creative Economy Agency from 15 subsectors to 16 subsectors.

2. SWOT Analysis

SWOT analysis is a method that contains strategic planning to evaluate strengths, weaknesses, opportunities, and threats that can be applied in a project or business speculation. The process in SWOT analysis will involve determining the specific objectives of business or project speculation (Wijayati, 2019: 5).

SWOT analysis has four elements that make up SWOT, namely as follows:

a. Strength (S)

Strength is part of the company's internal factors. In this power, we will look for elements of company characteristics that show its strength, namely specifically able to provide advantages or advantages for business development.

b. Weaknesses (W)

The element of weakness is also part of the internal factors of the company. In this element of darkness, it is necessary to find elements of company characteristics related to weaknesses that may be able to inhibit the pace of development of the company.

c. Opportunities (O)

Opportunity is an extrinsic element or that comes from outside the company. In opportunity, we need to look for characteristic elements related to opportunities from the surrounding environment or related sectors that exist for the company, so as to encourage the company to progress.

d. Threats (T)

The threat factor is part of the company's external factors. Threat factors include various elements related to threats from situations outside the company that allow to hamper the company, put the company in difficult situations, or pose problems that are difficult for the company to deal with (Wijayati, 2019: 8-10).

3. Types and Approaches of Research

This research uses a type of field research that is a study that is conducted intensively, detailed and in-depth in a qualitative way with a type of naturalistic research where this research is or has the actual characteristics that occur in the field expressed in its natural state or as is (natural setting), without changing in the form of symbols or numbers (Moleong, 2000).

The research method used in this study is a descriptive qualitative analysis method that researchers analyze data, existing information from various sources by connecting with existing phenomena so as to provide a clear picture of the Strengths, Weaknesses, Opportunities, and Threats in creative economy-
based MSMEs in Panggungharjo Village (Aditi et al, 2018).

3.1. Research Location

The location selected in this study is in accordance with the data needed by researchers, namely related to Micro, Small and Medium Enterprise Development Strategy (MSMEs) based on creative economy. This research was conducted at Micro, Small and Medium Enterprises (MSMEs) in Panggungharjo Village, Sewon Subdistrict, Bantul Regency, Yogyakarta.

3.2. Data Source

According to Lofland and Lofland (1984:47), the main sources of data in qualitative research are words, and actions, the rest are additional data such as documents and others. The data sources used in this study are primary and secondary data sources.

3.3. Data Collection Techniques

3.3.1. Observation

Observation is done to directly observe research objects that are considered appropriate and can complement the necessary information (Noviana, 2016).

3.3.2. Interview

An interview is a conversation with a specific intention. The conversation was conducted by two parties, namely the interviewer (interviewer) who asked the question and the interviewee (interviewee) who gave the answer to the question (Moleong, 2017).

3.3.3. Documentation

Documentation is a collection of documents that can provide information or evidence related to the process of collecting and managing documents systematically and disseminated to users of such information. (Setiawan, 2021)

3.3.4. Data Analysis Techniques

The research technique used is a descriptive approach to analysis with a qualitative approach. This research uses SWOT analysis, so the first step is the data that has been obtained first by conducting an analysis of internal factors (strengths and advantages) and external factors (opportunities and threats).

<table>
<thead>
<tr>
<th>IFAS</th>
<th>STRENGTHS (S)</th>
<th>WEAKNESSES (W)</th>
</tr>
</thead>
</table>

EFAS | Determine 5-10 factors | Internal weakness factors | 0.30 Determine 5-10 internal forces |

OPPORTUNITIES (O) | Determine 5-10 External opportunity factors | SO STRATEGY | Create strategies that use power to take advantage of opportunities | WO STRATEGY | Create strategies that minimize weaknesses to take advantage of opportunities |

a. SO Strategy

This strategy is made based on the company's way of thinking, namely by utilizing all the power to seize and take advantage of the greatest opportunity.

b. Strategy ST

This is a strategy in using the power that the company has to overcome threats.

c. WHERE strategy

This strategy is applied based on the utilization of existing opportunities by minimizing existing weaknesses.

d. WT Strategy

This strategy is based on activities that are defensive and try to minimize existing weaknesses and avoid threats (Summary, 2016: 84).

4. Diagram SWOT

Besides being able to be realized in the form of a SWOT matrix, SWOT analysis can also be understood in the form of diagrams. Here is an analysis diagram.

![SWOT Diagram](image-url)
In the SWOT diagram, we can see that the condition of the company will be affected by the four main segments grouped in four quadrants. The four quadrants are divided into diagrams I, II, III, and IV, with their respective characteristics. The following is a description of each quadrant:

Quadrant I contained analysis that is useful for supporting aggressive strategies. That is, this situation shows a very favorable situation for the company. Quadrant I provided an idea that a company has the opportunity and strength to be able to mandate existing market opportunities.

a. Quadrant II
Quadrant II contains analysis that supports diversification strategies. That is, a company may face various threats, and things are common. However, it should also be understood that the company still has internal power.

b. Quadrant III
Quadrant III contains analysis that supports turnaround strategies. In this case, it should be understood that a company may face a variety of very large market opportunities. However, the company also has to face some internal constraints or weaknesses.

c. Quadrant IV
In quadrant IV, the analysis is conducted to support the company's defensive strategy. This shows that once upon a time, the company may face a very unfavorable situation. There will be internal threats and weaknesses that must be faced by the company (Wijayati, 2019: 24-27).

C. RESULTS AND DISCUSSIONS
a. MSME data
Based on the results of interviews and MSME data that became sampling in the area of Panggungharjo Village, Sewon, Kab. Bantul, data was obtained related to the condition of the MSMEs. The data and profiles of each MSME are as follows: Striated Weaving Craft "Striated Dibyo"
This craft product is one of the regional art products that must be preserved in order to continue to grow and still exist. The process of making striated is still traditional, namely not using machines but with hand skills so that traditional values are maintained.

The obstacles faced by Dibyo Lurik include related to human resources (HR) namely the regeneration of artisans. The majority of craftsmen are quite old or about 60-70 years old. Young people are not so interested in weaving jobs. Maybe because it is considered too complicated and seems dirty. In fact, if this business is pursued can produce income exceeding the salary of UMR (Regional Minimum Wage). On the other hand, striated fabric as a product of local culture is an important legacy of our ancestors for us to maintain and develop. The role of young cadets should be able to become the next generation of weaving craftsmen. So that striated weaving products do not disappear from the earth. In addition to constraints on HUMAN RESOURCES, this business also has problems related to the views of consumers. They often equate striated fabric with ordinary textile fabrics. As said by Mr. Danang, that is: "Production is still ATBM so when meeting with new consumers who have never encountered striated sometimes equated with textile fabrics, so if you still use ATBM the level of neatness under textile fabric because it is manual so that the level is unstable and sometimes considered a defective item."

Pak Jusi's efforts to maintain his efforts include working with association groups such as PKK mothers. Pak Jusi held socialization and weaving training for PKK mothers.

b. Educational Toy Craft (Puzzle) "Kajeng Handicraft"
Kajeng Handicraft is a craft business that educates and trains skills and intelligence. Pak Mandar Utomo as the owner of this business is an alumnus of Janabadra University. He graduated in 1991 with a Bachelor of Law degree.

Jakarta has turned out to be paying off. The increasing sense of confidence makes Mr. Mandar develop his business to expand abroad. Yes, he began to open the market to foreign countries, especially to a number of European countries such as France, the Netherlands, Turkey and several others. So be he the
entrepreneur exporter of toys or puzzles. Although the basic business is just a village MSME, but has been oriented internationally. Mr. Mandar proved, although he was only a small businessman in Bantul, but not inferior to large businessmen of the exporter class.

Existing developments instead of showing signs of improvement, instead the condition is further aggravated by the emergence of Covid-19 cases. Pandemic outbreaks that are felt by almost all countries are increasingly destroying the structure of the global economy. No exception to hit the economic actors in Indonesia. The impact of the pandemic turmoil was certainly felt by Mr. Mandar as well. Sales of its products are increasingly blocked.

Although it is realized it is not easy in the midst of the limitations of the pandemic period. Another perceived challenge is that generally the people of Indonesia have not been able to fully accept toy products such as Pak Mandar's work. Such toys are considered ndeso toys or village children's toys.

c. Embroidery (Convection)

Embroidery or convection business located at Miri Sawit Rt 05, Panggungharjo Village, Kec. Sewon, Bantul, is a business owned by Mr. Ayub. This effort was established in 1982. The place of business is still renting or belonging to others with a rental price of Rp 12,000,000 per year.

As with most entrepreneurs, Mr. Ayub also experienced a decline in his business due to the Corona pandemic. The number of consumers is decreasing. Therefore now Mr. Ayub only accepts the manufacture of clothes. That's also the fabric material directly from consumers, because it is constrained by capital limitations. That is, Mr. Ayub just sews.

The difficulties caused by the pandemic as explained by Mr. Ayub below:

"As a result of the current pandemic conditions clearly affect the level of purchasing power of the people. We also affected because there are not many consumers who order clothes or graduation sash as usual. Income is also much reduced."

The period before the pandemic of Mr. Ayub's convection efforts was quite decent. At that time many campuses ordered graduation slings to him. But since the pandemic period decreased dramatically, so he was forced to lay off his employees until the remaining one because he could not afford to pay. Although Mr. Ayub's business income is now uncertain, but he tried to stay afloat. Mr. Ayub as much as possible maintained his efforts with optimism.

d. MSME Analysis

From the results of interviews with MSMEs in the area of Panggungharjo Village, Sewon, Kab. Bantul, data was obtained related to the condition of each MSME. The existing data is then made analysis using SWOT theory. SWOT theory itself indicates 4 factors that will be used as a basis for assessing and analyzing the condition of MSMEs. The four factors include: Strength, Weakness, Opportunity, and Threatment.

From the basis of the 4 factors in swot, a table can be made on the condition of each MSME that is used as a research object in Panggungharjo Village as follows:

### Striated Craft Business "Lurik" - Local Factors of Lurik Dibyo Craft

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weight</th>
<th>Rating</th>
<th>Strength</th>
<th>Weight</th>
<th>Rating</th>
<th>Strength</th>
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<th>Strength</th>
<th>Weight</th>
<th>Rating</th>
<th>Threatment</th>
<th>Weight</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>The business is influenced by the cultural and traditional value.</td>
<td>0.07</td>
<td>0.18</td>
<td>The existence of a large number of consumers.</td>
<td>0.09</td>
<td>0.24</td>
<td>The quality of the work is better than the others.</td>
<td>0.06</td>
<td>0.15</td>
<td>The price of the final product is lower.</td>
<td>0.07</td>
<td>0.18</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Striated Craft Business "Lurik" - External Factors of Lurik Dibyo Craft**

<table>
<thead>
<tr>
<th>Threatment</th>
<th>Weight</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>The probability of the product is influenced by the cultural and traditional value.</td>
<td>0.08</td>
<td>0.19</td>
</tr>
<tr>
<td>The existence of a large number of consumers.</td>
<td>0.09</td>
<td>0.24</td>
</tr>
<tr>
<td>The quality of the work is better than the others.</td>
<td>0.06</td>
<td>0.15</td>
</tr>
<tr>
<td>The price of the final product is lower.</td>
<td>0.07</td>
<td>0.18</td>
</tr>
</tbody>
</table>

**Total** 1 0.22
3.2.3. Embroidery (Convection)  
Internal Factors of Embroidery (Convection)

The main strategy in the business of educational toys entering quadrant II is still using its power to be able to take advantage of opportunities by using diversification strategies, both in products and services. So all that must be done is to increase marketing in the country because in Indonesia the toyan puzzle is very step and has few rivals, because it is difficult to export toy products abroad.

Figure 3. SWOT Analysis Diagram of Kajeng Handicraft Craft Business
Figure 4. SWOT Analysis Diagram of Embroidery Business (Convection)

The main strategy in embroidery (convection) into quadrant I is when the business has the opportunity and strength to get existing market opportunities, so it must establish an aggressive strategy. Then what must be done is to improve the performance of labor (kindergarten) to make it easier when receiving many orders.

D. CONCLUSIONS AND SUGGESTION

Conclusion
Dibyo Lurik Craft Business is in quadrant I so the main strategy that must be done is to increase the productivity of striated fabrics because many consumers who need striated fabrics because there are still at least striated craftsmen in Yogyakarta.

a. Kajeng Handicraft Craft Business is in quadrant II so the main strategy that must be done is to increase marketing in the country because in Indonesia puzzle toys are still very rare and have a rival that is a little.

b. Embroidery (Convection) business is in quadrant I then the main strategy that must be done is to improve labor performance to make it easier when receiving many orders because there are very few rivals, so that market opportunities will be high.

Suggestion
The advice that can be given related to existing problems is as follows:

a. During the Covid-19 pandemic, micro, small, medium enterprises (MSMEs) in Panggungharjo Village, Sewon Subdistrict, Bantul Regency, Yogyakarta are required to be able to implement special strategies to stay alive or survive. In this case, among them by optimizing the utilization of online media and being able to create creatively and innovatively so that it has an advantage in competition.

b. The Village Government and large-scale entrepreneurs should be willing to help the development of SMEs in Panggungharjo Village, Sewon Subdistrict, Bantul Regency, so that they can survive.

D. REFERENCES


