

**Gadung Chips Business Development Strategy (*Dioscorea hispida* L.)
With SWOT Analysis
(At Dua Putra Jaya Home Industry in Jombang Regency)**

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ABSTRACT

*This study aims to analyze Business Development Strategy in the Home Industry of Gadung Chips (*Dioscorea Hispida* L.) Dua Putra Jaya in Jombang Regency using SWOT, EFAS, IFAS and Grand Strategy Matrix analysis methods. Sampling is done purposively or selected. This study uses primary and secondary data. Primary data obtained by observation and interviews with owners, employees Home Industry Gadung Chips (*Dioscorea Hispida* L.) Dua Putra Jaya and the Made Village apparatus, while secondary data were obtained from existing sources. The analysis used in determining the business development strategy of the Gadung Chips Home Industry includes evaluation of internal factors (IFAS), evaluation of external factors (EFAS), SWOT matrix and Grand Strategy matrix. The results of this study based on a SWOT analysis of internal and external factors indicate that the home industry for making Gadung chips is in quadrant type 1, which is a very profitable position oriented to aggressive growth (Growth Oriented Strategy). The outcome of this research indicates that Dua Putra Jaya Home Industry position is in quadrant I.*

Keywords: Home Industry; SWOT Analysis; IFAS; EFAS; Grand Strategy Matrix.

INTRODUCTION

The agricultural sector is one of the driving forces of the national economy. The diversity of agricultural resources supports the development of the food management industry sector in Indonesia. This is related to the wealth of natural resources that have a comparative advantage that needs to be processed into industrial products to obtain higher added value Isbah et al., (2016)

Based on data from the Central Bureau of Statistics of Jombang Regency, there are 21 (twenty one) sub-districts located in the Jombang Regency area. Kudu sub-district has 32.15 hectares of land for settlements, 156.00 hectares of rice fields and 70.59 hectares of dry fields. BPS Jombang Regency, (2018). Some of the people in the Kudu sub-district, including Kedungwatu hamlet, Made village, Kudu sub-district, work as daily workers in agricultural fields.

To increase people's income, they have a household-scale side business, managing adung tubers into gadung chips. However, the production of gadung chips is still uncertain so that the community has not been able to get a stable income from the gadung chips production business. Home Industry is an integrated processing subsystem between the agricultural sector and micro, small and medium scale business activities so that added value will be obtained from agricultural products Gustiana, (2015)

Home industry is an alternative for rural communities to increase their income and raise their standard of living. In some places the Home Industry is experiencing very fast economic development and progress. In managing the Home Industry, it does not require a lot of manpower, which can be managed on a family scale Riyansyah et al., (2018). Therefore it is important to have guidance and direction so that the home industry can compete with large-scale industries.

One of the efforts to manage gadung tubers (*Dioscorea hispida* L.) into gadung chips in the Kedungwatu hamlet area, Made village, Kudu district, Jombang district, is one of the sustainable home-based

businesses (Home Industry) in the area. Therefore, it is necessary to have an appropriate and effective development strategy in an environment that will increase productivity Erisman et al, (2015). Home Industry Dua Putra Jaya has the potential to be developed, while internal factors (strengths and weaknesses) and external factors (opportunities and threats) of gadung chips business are adjusted to the circumstances and characteristics concerned.

Seeing the long-term potential, the researcher is interested in analyzing the Home Industry development strategy for making Dua Putra Jaya gadung chips using the SWOT analysis method. SWOT analysis is a tool for systematically identifying various factors to formulate company strategy (Rangkuti in Umar et al, 2016).

From the description of the background above, the problem can be formulated, namely "How is the feasibility study for the home industry of gadung chips (*Dioscorea hispida* L.) Dua Putra Jaya in Kedungwatu hamlet, Made village, Kudu sub-district, Jombang district using the SWOT analysis method?". So the purpose of this study was to determine the feasibility of the home industry for making gadung chips in Kedungwatu hamlet, Made village, Kudu sub-district, Jombang district using the SWOT analysis method. The results of this study are expected to provide useful input in the development and progress of the gadung chip making home industry which has been analyzed both in terms of strengths, weaknesses, opportunities and threats that exist in the gadung chip making home industry.

METHOD

This This research was conducted in the Home Industry for the manufacture of Dua Putra Jaya gadung chips in Kedungwatu Hamlet, Made Village, Kudu District, Jombang Regency. Using descriptive research methods This study uses primary data obtained by researchers from direct observation. While secondary data obtained by researchers from various sources in the form of books, journals, and scientific works according to the needs of researchers. Data collection techniques by means of observation, interviews, and literature study. The data analysis technique using SWOT analysis is then implemented into the EFAS, IFAS, SWOT Matrix and Grand Strategy Matrix.

RESULT AND DISCUSSION

Home Industry Gadung Chips (Dioscorea hispida L.) Dua Putra Jaya It is located in Kedungwatu Hamlet, Made Village, Kudu District, Jombang Regency. Established since 1998 until now, it is engaged in the manufacture of chips from gadung tubers (*Dioscorea hispida* L.). The Home Industry is managed by Mr. Sunaryo and his family members.

- External Factor Evaluation

To understand the opportunities and threats experienced by the Gadung Chips Home Industry (*Dioscorea hispida* L.) Dua Putra Jaya needs to identify external factors and assign weights, ratings and scores to each factor. Based on the results of the identification, the opportunities (Opportunities) and threats (Threats) experienced can be seen briefly in Table 1.

Table 1. External factors Home Industry Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya.

No	Opportunity	Threat
1	Can compete with competitors	Competition with other types of chips kompetitor
2	Have a variety of marketing channels	Unstable economic conditions
3	Government agencies that play an active role in the advancement of Home Industry	Competition between similar Home Industries
4	Wide market share	Products can be imitated
5	Have loyal customers	Production is constrained due to unpredictable weather
6	Always increasing demand	Scarcity of raw materials
7	Market expansion using social media access	Switching consumers to other products

Furthermore, giving weights, ratings and scores on each factor opportunities (Opportunities) and threats (Threats). The writing rules can be seen in Table 2.

Table 2. Matrix (EFAS) Home Industry Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya

External Strategy Factors				
No	Opportunity	Weight	Rating	Score
1	Can compete with competitors	0.11	4	0.42
2	Have a variety of marketing channels	0.08	3	0.24
3	Government agencies that play an active role in increasing the progress of the Home Industry through training and workshops	0.08	3	0.24
4	Wide market share	0.11	4	0.42
5	Have consumers who are loyal to the product	0.11	4	0.42
6	Always experiencing increasing demand	0.11	4	0.42
7	Market expansion using social media access	0.11	4	0.42
Number of Opportunities		0.56		2.28
No	Threats	Weight	Rating	Score
1	Competition between competitors of other types of chips	0.05	2	0.11
2	Unstable economic conditions	0.03	1	0.09
3	Competition between similar Home Industries	0.05	2	0.11
4	Products can be imitated	0.05	2	0.11
5	production is constrained due to erratic weather	0.05	2	0.11
6	Scarcity of raw materials	0.03	1	0.09
7	Switching consumers to other products	0.05	2	0.11
Number of Threats		0.32		0.58
Total Opportunities and Threats		1.00		3.16

Based on the data in Table 2 regarding the EFAS matrix, it can be seen that the EFAS score of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya is 3,16.

✓ Internal Factor Evaluation

To determine the strengths and weaknesses experienced by the Gadung Chips Home Industry (*Dioscorea hispida* L.) Dua Putra Jaya needs to identify internal factors and assign weights, ratings and scores to each factor. The writing rules can be seen in Table 4.

Table 3. Internal factors Home Industry Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya

No	Strength	Weakness
1	Types of products that are known by the wider community	No management implementation
2	Good business relationship between producers and consumers	No business license
3	Requires special skills in production	Lack of product variant
4	Strategic location for production	Non-standard product packaging
5	Competitive price with other products	Limited working capital
6	Service level to consumers	Equipment is still traditional
7	Increase production capacity	Massive lack of promotion

Table 4. Matrix (IFAS) Home Industry Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya

Internal Strategy Factors				
No	Strengths	Weight	Rating	Score
1	Types of products that are known by the wider community	0.10	4	0.38
2	Good business relationship between producers and consumers.	0.07	3	0.21
3	Requires special skills in production	0.10	4	0.38
4	Strategic location for production	0.07	3	0.20
5	Competitive price with other products	0.10	4	0.38
6	service level to consumers	0.10	4	0.38
7	Increase production capacity	0.10	4	0.38
Total Strengths		0.62		2.33
No	Weaknesses	Weight	Rating	Score
1	No management implementation	0.05	2	0.10
2	No business license	0.05	2	0.10
3	Lack of product variant	0.05	2	0.10
4	Non-standard product packaging	0.07	3	0.21
5	Limited working capital	0.05	2	0.10
6	Equipment is still traditional	0.05	2	0.10
7	massive lack of promotion	0.07	3	0.21
Number of Weaknesses		0.38		0.90
Total Strengths and Weaknesses		1.00		3.24

Based on the data in Table 4 regarding the IFAS matrix above, it can be seen that the external score of the Gadung Chips Home Industry (*Dioscorea hispida* L.) Dua Putra Jaya is 3,24.

Analysis Results

- SWOT Matrix

Steps to identify this strategy through 3 stages, namely, (1) data collection stage, (2) analysis stage, and (3) decision-making stage. The essence of this stage is not only to collect data, but to clarify the data used before analyzing the object. At this stage the data is classified into two types, namely internal data and external data.

Based on the results of the identification carried out on the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya in Jombang Regency, there are external changes that will affect opportunities (Opportunities) and threats (Threats). While internal factors will affect the strength (Strengths) and weaknesses (Weakness). The results obtained from the matrix analysis can be observed in Table 5.

Table 5. Home Industry SWOT Matrix Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya

No	IFAS EFAS	Strength (S)	Weakness (W)
1	Opportunities(O) Opportunity	<ul style="list-style-type: none"> ✓ SO Strategy ✓ Consistent as a superior gadung chips producer ✓ Expand market share and distribution. ✓ Increase the production of gadung chips 	<ul style="list-style-type: none"> ✓ WO Strategy ✓ Completing legality and improving quality ✓ Choosing the right promotional media ✓ Innovate by producing new products
2	Threats (T) Threat	<ul style="list-style-type: none"> ✓ ST strategy maintain service level to consumers in order to remain competitive and maintain consumer confidence expand distribution reach to create demand ✓ Continuous production to maintain stock availability 	<ul style="list-style-type: none"> ✓ WT Strategy ✓ Equipment modernization for smooth production sparked a second product with the same standard ✓ Implement management so that the business chain can run smoothly

- Grand Strategy Matrix

The Grand Strategy matrix is used to determine the business development strategy of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya in Jombang Regency. Based on the calculation results, the EFAS matrix is denoted (Y axis) and the IFAS matrix is denoted (X axis).

Is known:

- S = strength (strength)
- W = Weakness (weakness)
- O = opportunities
- T = threats

Asked:

- a. X-axis value?
- b. Y axis value?

Answer:

- a. X axis = S + W
 $X = 2.33 + 0.90$
 $X = 3.24$
- b. Axis Y = O + T
 $Y = 2.58 + 0.58$
 $Y = 3.16$

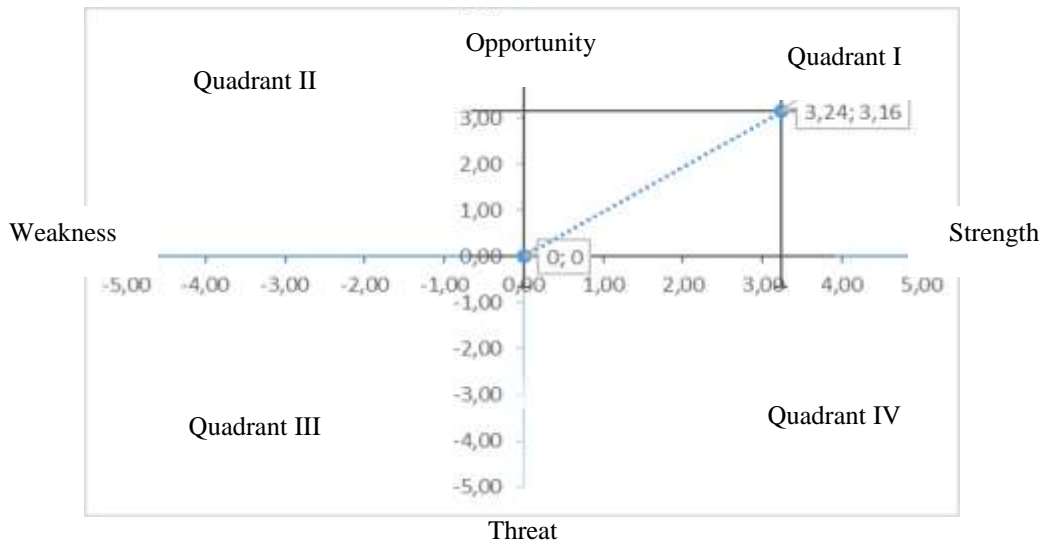


Figure 1. Grand Strategy Matrix

The results of the diagram in Figure 1 show that the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya is in quadrant I position, this indicates a very favorable situation.

- Decision Making Stage

The decision-making stages of the business development strategy of the Home Industry Chips Gadung (*Dioscorea hispida* L.) Dua Putra Jaya, must focus on developing strengths, minimizing weaknesses, and maximizing existing opportunities while eliminating threats. Based on the calculation of internal factors and external factors that result in a quadrant I position, a business development strategy can be formulated including:

- Consistent as a producer of superior gadung chips

To become a leading producer in the manufacture of gadung chips, the following efforts need to be made:

- ✓ Implement quality management governance to maintain product quality.
- ✓ Improve the quality of existing resources.
- ✓ Modernization of equipment to support production.
- ✓ Always maintain service with consumers.

The consistency of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya, as a leading producer of gadung chips, absolutely must be maintained. This is in line with research conducted by, Kusbandono, (2019) stated the results of the SWOT analysis on UD. Gudang Budi is in quadrant I (strengths and opportunities) which emphasizes the use of aggressive strategies to develop by using strengths to maximize opportunities.

- Expanding Market Share and Product Distribution.

To expand market share, it is necessary to add business networks and make efforts to seize opportunities as much as possible. The steps that can be taken are as follows:

- ✓ Collaborating with souvenir outlets in the Jombang Regency area.
- ✓ Marketing products to tourist destinations in Jombang Regency.
- ✓ Carry out massive promotions by utilizing social media.
- ✓ Maintain good relationship with consumers
- ✓ Add product variants to expand distribution.

This is in line with research conducted by Jayanti et al., (2019) on " SWOT Analysis To Know The Company's Positioning In Determining Company Strategy At UD. "Mahkota Gempol", based on the SWOT matrix, the Strengths – Opportunity (SO) strategy can be applied. The steps that must be taken are (1) Improving service friendliness in the marketing department to establish good relationships with customers (2) Maintaining products that already meet the Standards (3) Increasing product variety so that they can expand their distribution channels.

- Increase the Production of Gadung Chips

Technological developments that are progressing very rapidly can be used as a means of developing the business world. As for the tips that must be done so that the Home Industry of Gadung

Chips (*Dioscorea hispida* L.) Dua Putra Jaya is as follows:

- ✓ Using modern equipment to support increased production.
- ✓ Development of the quality of human resources for business continuity in order to compete in today's modern era.
- ✓ Participate in workshops or training to expand knowledge.
- ✓ Maintain the stability of raw materials
- ✓ Supervise production to maximize yield and minimize product damage.

This is in line with research conducted by According to Amalia et al., (2018) in research on "Analysis of Business Development Strategies at Semarang Batik SMEs in Semarang City" states that potential businesses to be developed there are several things that can be done including (1) maintaining product quality (2) using modern technology to increase production (3) aspects of distribution and management management promotion. (4) Quality of human resources.

The correlation of the results of previous studies to the results of the discussion, as a guideline that can be implemented in the business development strategy of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya. The results obtained from the field will be a strategic effort for the progress and development of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya in the future.

Discussion

The results of the research that has been carried out at the Dua Putra Jaya Home Industry show that the gadung chip manufacturing business has good prospects. Things that must be improved are quality management, quality of resources, modernization of equipment, and maintaining customer service performance, this is in line with research from Kusbandono (2019) As a business development plan, it is necessary to collaborate with other parties, increase marketing at tourist sites, active promotions and add product variants, this is in accordance with the results of research from Jayanti et al., (2019). In another study, it was stated that one of the factors for the advancement of the Home industry was the strong commitment of various related parties, in this case the authorized government Istiqomah et al., (2017). The results of the grand strategy matrix show that the Home industry of Dua Putra Jaya is in quadrant 1 position, which means that the business has good prospects in line with the research of Hasnita et al., (2018).

CONCLUSION

SWOT analysis is an effective tool for business development strategies in the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya in Jombang Regency. So it can be concluded that:

- The results of the external factor analysis (EFAS) of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya, there are 7 (seven) opportunity factors (opportunity) and 7 (seven) threat factors (threats) which produce a total score of 3.16 .
- The results of the internal factor analysis (IFAS) of the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya, there are 7 (seven) strength factors and 7 (seven) weakness factors that produce a total score of 3.24 .
- The results of the SWOT matrix for the development strategy of the Gadung Chips Home Industry (*Dioscorea hispida* L.) Dua Putra Jaya, Jombang Regency, it can be concluded that alternative SO (Strengths-Opportunities) strategies can be drawn, including (1) Consistent as a leading gadung chip producer, (2) expanding market share and product distribution, (3) Increase production capacity,

Result of matrix grand strategy shows that the Home Industry of Gadung Chips (*Dioscorea hispida* L.) Dua Putra Jaya in Jombang Regency is in the quadrant I area, which means it shows a favorable situation. Home Industry Gadung Chips (*Dioscorea hispida* L.) has opportunities and strengths that can be exploited to seize all available opportunities. In the quadrant I situation, the strategy that must be implemented is one that is oriented towards aggressive growth (Growth Oriented Strategy)

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