



IFE EFE Analysis of A Social Enterprise Business Strategy

Evi Puspita Anggraini^{1*}, Mira Nurfitriya², Tika Annisa Lestari Koeswandi³

¹²³Entrepreneurship Study Program Universitas Pendidikan Indonesia, Indonesia

*Correspondence e-mail: @upi.edu

ABSTRACTS

The problem with Kawoel's MSMEs is the dominance of decreased income, therefore MSMEs need the right business strategy and are suitable for this social enterprise. The object of this research was carried out at a social enterprise company, namely Kawoel's MSMEs. Therefore, the objectives of this study are: 1) to find out an overview of the business strategy carried out by MSMEs at Kawoel's, 2) to find out the strengths, weaknesses, opportunities and threats of Kawoel's MSMEs, 3) to find out alternative business strategy formulations using SWOT Internal Factor Evaluation (IFE) matrix analysis and External Factor Evaluation (EFE) matrix for MSMEs in Kawoel's. This type of research was descriptive qualitative with data collection techniques using observation, interviews, and literature study. This study uses a single variable, namely business strategy, to analyse business strategy in Kawoel's MSMEs using the IFE and EFE matrix tools. The business strategy implemented by Kawoel's had not been maximised so that it had a negative impact on its business. The results of the IFE and EFE matrix for Kawoel's business strategy formulation are in quadrant V, which means that it can be done with a maintain and maintain strategy.

ARTICLE INFO

Article History:

Received 1 Feb 2024

Revised 1 Maret 2024

Accepted 20 Maret 2024

Available online 1 April 2024

Keyword:

SWOT Analysis,

EFE Matrix,

IFE Matrix,

Social Enterprise,

Business Strategy.

© 2021 Kantor Jurnal dan Publikasi UPI

1.

INTRODUCTION

The agricultural sector plays an important role in the Indonesian economy,

contributing to Gross Regional Domestic Product (GRDP) after the manufacturing and trade industries (Abidin, 2021). In

2010–2021, the dominant agricultural, forestry and fisheries sectors experienced an increase, this means that the East Java agricultural sector experienced good development. One of the good developments in the agricultural sector is in ornamental plants (Kristiani, 2021). The COVID-19 pandemic in Indonesia at the end of 2020 had a positive impact on the ornamental plant business, because the income earned increased by 40% compared to before (Gunawan & Sayaka, 2020).

Business growth in the agricultural sector and in other sectors has succeeded in increasing existing market competition (Krisnawati et al, 2019). This situation forces entrepreneurs to strictly provide business strategies and optimise their productivity, so that their companies can survive and develop in increasing market competition, many other increasingly intense and creative business opportunities will emerge (Setiyana & Maulidasari, 2020).

Coconut Fiber Pot MSME is one of the MSMEs that collaborates with agricultural businesses on vegetables, ornamental plants and fruit. Coconut Fiber Pot MSMEs are MSMEs that use coconut fibre waste but just throw it away, even though coconut fibre waste can be processed into beautiful pot crafts with high economic value. The coconut fibre pot craft, also known as Kawoel's, is an industrial program that Mr. Yuli pioneered in 2018, in a community empowerment program to improve the economy of the community in Besuk Village. With this coconut fibre pot craft, people who previously did not have jobs now have jobs.

From 2020, Kawoel's sales were the smallest, namely IDR 10,000,000, the first decline occurred at the beginning of 2021 in January because the central government implemented strict Large-Scale Social Restrictions (PSBB) for a number of regions or cities in Java and Bali. In May 2021,

Kawoel's sales experienced an increase due to the approaching Muslim holidays. From this data, Kawoel's MSMEs do not have the right business strategy in running their business, the intense business competition that occurs, the absence of a financial recording system, the lack of creativity and innovation, the lack of mastery of science and technology has resulted in the dominant MSMEs experiencing decline. According to Solihin (2014) there are problems in business management that disrupt company operations both internally and externally, so every company must think about and determine strategies to survive and achieve its goals. MSME players must be able to apply the right business strategy to their business so that it continues to grow (Maryani & Chaniago, 2019). SWOT identification is quite effective in finding internal and external factors to determine the company's business strategy plan (Syah et al., 2018). The IFE EFE Matrix can be used as a basis for determining business strategies for business actors (Septiano, 2020).

2. METHODS

The research method used is a qualitative approach. According to Untari (2018), qualitative research tries to describe the conditions that occurred when the research was conducted. The type of qualitative research used in this research is intended to obtain information about MSME Kawoel's business strategy in depth and comprehensively. The data collection tools that will be used in this research are observation, interviews and literature study (Jailani, 2023).

3. RESULT AND DISCUSSION

1) Business Strategy

Strategy is a long-term plan prepared to lead to the achievement of Kawoel's specific goals and objectives. The owner of

Kawoel's only uses known strategies such as:

- a. The offline marketing strategy is using banners at home which can also be used as a place for selling and word of mouth, for online marketing on social media Instagram and Facebook, however, the implementation is not optimal, just uploading photos without any prior planning for the activities carried out. The promotional activity that was participated in was a craft exhibition held by the Kediri Regency government.
- b. The financial strategy carried out at Kawoel's is only limited to calculating profits from the results of production costs, not carrying out optimal financial records such as no financial recording of income and expenses, only implementing minimal recording. This also had a negative impact on the financial condition of Kawoel's itself. Apart from making coconut fibre waste into pots, it is also used as a planting medium such as coir powder products, the focus of selling coconut fibre pots is only to housewives. The

vision and mission of the organisational structure used is still incomplete.

- c. The strategy implemented by MSME Kawoel's has not been optimal due to the owner's limited knowledge regarding business strategy, coupled with the COVID-19 pandemic and competition in business, Kawoel's continues to experience a significant decline in revenue.

Therefore, the right business strategy is needed to run Kawoel's MSME business so that it can increase its business income.

2) SWOT Analysis

SWOT analysis focuses on measuring the main strengths, weaknesses, opportunities and threats into a ranking list and is usually presented as a simple grid, strengths and weaknesses come from within or internal factors, while opportunities and threats are external problems (Malihah, et al. 2021) . The following is a SWOT identification obtained from an interview with the owner of MSME Kawoel's:

Table 1. Interview Results Kawoel's SWOT Value

Strengths	Weaknesses
1. Have good quality goods	1. Products that are not durable
2. Raw materials come from waste so they help with recycling	2. The production technology used is still simple and limited
3. Improved production machines	3. Lack of promotions or discounts to attract buyers' interest
4. Product design can be adjusted to suit buyer requests	4. There is no product guarantee
5. Has many designs	5. Financial recording is still simple
6. Speed in product creation	6. Packaging does not attract customers
7. Price accepted by the market	7. Lack of owner knowledge about business strategy
8. Already registered brand	8. Lack of HR management who can manage the business
9. Safe packaging has been used	
10. There is product promotion marketing	
11. Direct purchase to the owner of Kawoel's	
12. Handle customer complaints	
13. Strategic location	

- 14. Empower local communities
- 15. Provide financial assistance

Opportunities	Threats
1. There is support from the local government for marketing activities	1. Competition from competitors in terms of price
2. Good relationship with raw material suppliers	2. Competitors come up with new product concepts
3. Development of information technology to support marketing activities	3. Competitors easily imitate
4. Collaborating with competitors to fulfil large orders	4. Competition in terms of business promotion
5. Markets that are easier to reach	
6. Support activities to protect the environment	
7. Increase business networks	

3) IFE Matrix

The following is Kawoel's Internal Factor Evaluation (IFE) matrix:

Table 2. Kawoel's Internal Factor Evaluation (IFE) Matrix

Number	Internal Factors	Wight	Rating	Value Score
<i>Strengths</i>				
1	Has good quality goods	0.07	4	0.28
2	Raw materials come from waste so they help with recycling	0.07	4	0.28
3	Environmentally friendly	0.05	4	0.20
4	Product designs can be adjusted to suit buyer requests	0.04	3	0.12
5	Has many designs	0.04	3	0.12
6	Speed in product creation	0.03	3	0.09
7	Price accepted by the market	0.05	4	0.20
8	Already registered brand	0.03	3	0.09
9	Have used safe packaging	0.03	3	0.09
10	There is product promotion marketing	0.05	4	0.20
11	Purchase directly from the owner of Kawoel's	0.02	3	0.06
12	Handle customer complaints	0.03	3	0.09
13	Strategic location	0.03	3	0.09
14	Empowering local communities	0.05	4	0.20
15	Providing financial assistance	0.04	3	0.12
Sub Total		0.63		2.23

Number	Internal Factors	Weight	Rating	Value Score
Weaknesses				
1	Products that are not durable	0.07	2	0.14
2	The production technology used is still simple and limited	0.04	1	0.04
3	Lack of promotions or discounts to attract buyers' interest	0.07	2	0.14
4	There is no product guarantee	0.02	1	0.02
5	Financial recording is still simple	0.05	2	0.10
6	Financial recording is still simple	0.02	1	0.02
7	Lack of owner knowledge about business strategy	0.05	2	0.10
8	Lack of HR management who can manage the business	0.05	2	0.10
Sub Total		0.37		0.66
Total		1.00		2.89

The level of strengths and weaknesses of Kawoel's MSMEs can be determined by weighting and rating the elements of strength and weakness factors as an assessment of the level of influence on business development. Internal factor analysis can be seen in table 2, the main strength of Kawoel's with a score of 0.63. Kawoel's main weakness with a score of 0.37. The final results of the internal factors in the IFE matrix with a total score of 2.89. This value is above the average of 2.5 which indicates a fairly strong internal position which has above average ability to

utilize strengths and anticipate internal weaknesses (Subaktilla et al., 2018). This happens because internal parties have several strong factors for developing their business, but they are not implemented optimally, lack of knowledge about business strategy, lack of awareness of problems, lack of awareness of existing market potential, so this situation also makes their business worse.

4) EFE Matrix

The following is the External Factor Evaluation (EFE) matrix at Kawoel's:

Table 3. External Factor Evaluation (EFE) Matrix

Number	External Factors	Weight	Rating	Value Score
Opportunities				
1	There is support from the local government for marketing activities	0.10	4	0.40
2	Good relationship with raw material suppliers	0.09	3	0.27
3	Development of information technology to support marketing activities	0.10	4	0.40
4	Collaborating with competitors to fulfil large orders	0.08	1	0.08

5	Markets that are easier to reach	0.10	4	0.40
6	Support activities to protect the environment	0.09	3	0.27
7	Expand business network	0.10	4	0.32
Sub Total		0.64		2.14
Threats				
1	Competition from competitors in terms of price	0.10	3	0.30
2	Competitors come up with new product concepts	0.08	2	0.16
3	Competitors are easy to imitate	0.08	1	0.08
4	Competition in terms of business promotion	0.10	3	0.30
Sub Total		0.36		0.84
Total		1.00		2.98

Determining the magnitude of opportunities and threats can be determined by multiplying the weight by the rating. The magnitude of the opportunities and threats faced can be seen from the weighting and scores in table 4.3. Considerable potential is the highest opportunity for the company with a score of 2.15, while the company's threat is with a score of 0.84. The total score obtained from the external factor analysis was 2.99. This means the company's ability to take advantage of opportunities and anticipate threats is above average.

5) IE Matrix

The Internal-External (IE) Matrix uses the parameters of the company's internal strength and external influence which are identified in external and internal elements respectively through the IFE and EFE matrices (Cahyani, 2017). The purpose of using the I-E matrix is to obtain a more detailed company business strategy (Kyana et al., 2023). In the I-E matrix, the total IFE weight score is on the x-axis and the total EFE weight score is on the y-axis (Ozali et al., 2023). On the x-axis of the I-E matrix, a total IFE weight score of 1.00 to 1.99 represents a weak internal position, a score of 2.00 to 2.99 is considered average, and a score of 3.00 to 4.00 is strong .

Likewise with the y-axis, a total weight score of 1.00 to 1.99 is considered low, a score of 2.00 to 2.99 is medium and a score of 3.00 to 4.00 is high.

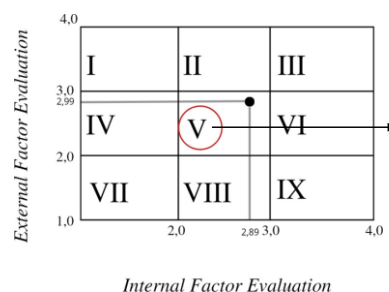


Figure 1. IFE Kawoel's Matrix

Source: Researcher Data Processing Results, 2023

In the IE (Internal-External) Matrix image, it depicts the position of the total IFE score on the x-axis, namely 2.89 and the total EFE score on the y-axis, namely 2.99. In this position, Kawoel's is in quadrant V of the IE Matrix, which means quadrant V.

6) New Strategy Formulation

From the results of SWOT identification, the IFE and EFE matrices can be managed with a hold and maintain strategy. The general strategies used are market penetration, product development and market development (Akbar, 2021). The new strategy formulation that can be used for Kawoel's MSMEs is:

- a. Marketing strategies using social media such as creating interesting content, clear images, giving fast responses, giving discounts to followers and marketing through e-commerce such as Tokopedia, Shopee and others.
- b. Carry out financial records properly, these records are used to report transactions that occur daily, weekly and monthly.
- c. Managing human resources appropriately and effectively such as participating in training activities for business development.
- d. There is training regarding entrepreneurship in the waste processing industry.

According to Ihalauw (2017) on Harini & Yulianeu (2018), strategies for market penetration that can be implemented are:

- a. Customer retention, to retain customers to turn customer retention into customer loyalty Kawoel's can be done by determining priority customers; monitor satisfaction and loyalty; follow up on complaints from customers; and build partnerships with customers.
- b. Sales to existing customers (sales to existing customers), to increase Kawoel's sales to existing customers, can be done by increasing the volume of each purchase, increasing the frequency of purchases, increasing sales by including other products such as coco peat products), solid coir powder (cocopeat brick), coir rope, doormats along with the core product offer, namely fibre pots.
- c. Using innovation (use innovation), Kawoel's strategy includes identifying main users who have been using pot products for a long time, discovering how products can be modified such as modifying moss and coconut fibre into

kokedama pots, developing more complete solutions for customers or new products.

- d. Increasing the existing market share, a strategy that Kawoel's can implement is to match or exceed the competitive advantage of its competitors; increasing demand for products such as speeding up the manufacture of pot products, and competitive prices.
- e. Marketing against the current (upstream marketing), Kawoel's strategy that can be used is establishing cooperation or collaboration with communities and other MSMEs such as hydroponic plants, ornamental plant MSMEs, parks services, establishing relationships with industrial alliances in Kediri Regency and City.

For market penetration, namely customer survival, sales to existing customers, innovation in use, increasing market share and marketing against the grain (Subagyo et al., 2014). For product development, what can be done is a strategic approach to developing a business that focuses on creating and promoting new products (Prasetyo et al., 2018). Kawoel implements a strategy by offering new products. To create a new product, optimal research is needed, by surveying consumers and analysing the services offered by competitors. What can be done for market development is expanding and retargeting consumers, including offering products that are already in circulation to completely new potential consumers or to new markets. According to Suka & Lubis (2019) Conduct thorough and comprehensive market research to identify clear market segments, divide potential consumers according to location, age, income or industry, create marketing strategies, namely carrying out promotions through print media, exhibitions, utilising online media to promote products, creating

unique packaging for attracting consumers and the right branding to attract new consumers.

Thus, this research is in line with previous research, namely according to Septiano (2020) in the analysis of the preparation of business strategies at Rayhan Toko Muslim, the business strategy that can be implemented is the optimal strategy for the company, a strategy regarding market penetration then followed by a strategy regarding market development.

4. CONCLUSION

Based on the research results and research discussion, the following conclusions can be drawn:

- a. An overview of the business strategy at UMKM Kawoel's is that the owner of Kawoel's only uses known strategies, the implementation of the strategies is not optimal. This also had a negative impact on the financial condition of Kawoel's itself.
- b. The results of identifying Kawoel's strengths, weaknesses, opportunities and threats obtained from internal factors and external factors, from the internal factors strengths and weaknesses, twenty-three factors were obtained. Meanwhile, twelve external factors, opportunities and threats, were obtained.
- c. Kawoel's MSME business strategy formulation, namely in quadrant V, can be managed with a hold and maintain strategy. The general strategies used are market penetration, product development and market development.

5. REFERENCES

Abidin, M. Z. (2021). Pemulihan ekonomi nasional pada masa pandemi covid-19: Analisis produktivitas tenaga kerja sektor pertanian. *Indonesian Treasury Review: Jurnal Perbendaharaan, Keuangan Negara dan Kebijakan Publik*,

6(2), 117-138.
<https://doi.org/10.33105/itrev.v6i2.292>

Akbar, F. (2021). Pengembangan Strategi pada Pengelolaan Kedai Kebun Forum Yogyakarta. *Jurnal Tata Kelola Seni*, 7(2), 91-106.

<https://doi.org/10.24821/jtks.v7i2.5503>

Cahyani, U. E. (2017). Analisis strategi pengembangan agribisnis salak di kabupaten tapanuli selatan. *KOLEGIAL*, 5(1), 36-50.

Gunawan, E., & Sayaka, B. (2020). Imbas pandemi covid-19, bisnis tanaman hias naik daun. *Jurnal Sains Komunikasi dan Pengembangan Masyarakat*, 5(6), 50-55.

Harini, C., & Yulianeu, Y. (2018). Strategi penetrasi pasar UMKM Kota Semarang menghadapi era pasar global MEA. *Jurnal Ekonomi Dan Bisnis*, 21(2), 361-381.

<https://doi.org/10.24914/jeb.v21i2.1967>

Jailani, M. S. (2023). Teknik pengumpulan data dan instrumen penelitian ilmiah pendidikan pada pendekatan kualitatif dan kuantitatif. *IHSAN: Jurnal Pendidikan Islam*, 1(2), 1-9.

<https://doi.org/10.61104/ihsan.v1i2.57>

Krisnawati, I., Ubaidi, I. A., Rais, H., & Batu, R. L. (2019). Strategi digital marketing dalam perdagangan hasil tani untuk meningkatkan pendapatan Kabupaten Karawang. *Jurnal Ilmiah Ekonomi Global Masa Kini*, 10(2), 70-75.

<https://doi.org/10.36982/jiegm.v10i2.838>

Kristanti, B. A. (2021). Analisis Peningkatan Pendapatan Usaha Pertanian Tanaman Hias Pada Era Pandemi Covid-19. *JURNAL EKUIVALENSI*, 7(2), 414-428.

<https://doi.org/10.51158/ekuivalensi.v7i2.609>

- Kyana, N. L. G. S. M., Tirtamara, A. A., & Yasa, N. N. K. (2023). Perumusan Strategi Pemasaran Produk Minuman Boba "Mixue" dengan Menggunakan Matriks Internal Eksternal. *Jurnal Pijar*, 1(3), 578-587.
<https://doi.org/10.33650/profit.v2i1.563>
- Malihah, L., Ma'mun, M. Y., Al-Mubarak, M. A. R., & Amalia, R. (2021). Analisis SWOT terhadap motivasi penggunaan transaksi non tunai (E- Money Syariah) oleh pelaku UMKM. *Musyarakah: Journal of Sharia Economic (MJSE)*, 1(2), 89-99.
<http://dx.doi.org/10.24269/mjse.v1i2.4183>
- Ozali, I., Sarbanon, E., & Yulihapsari, I. U. (2023). Strategi Pemasaran Saudia Arabian Airlines Dalam Memenangkan Persaingan Pasar Indonesia Pasca Pandemi Virus COVID-19. *Innovative: Journal Of Social Science Research*, 3(6), 6178-6193.
<https://doi.org/10.31004/innovative.v3i6.7232>
- Prasetyo, B. B., Baga, L. M., & Yuliati, L. N. (2018). Strategi pengembangan bisnis rhythm of empowerment dengan pendekatan model bisnis kanvas. *Jurnal Aplikasi Bisnis Dan Manajemen (JABM)*, 4(2), 296-296.
<https://doi.org/10.17358/jabm.4.2.296>
- Septiano, R. (2020). Analisis penyusunan strategi bisnis pada Rayhan toko muslim. *Jurnal Ilmu Manajemen Terapan*, 1(4), 401-415.
<https://doi.org/10.31933/jimt.v1i4.192>
- Setiyana, C. D. M. R., & Maulidasari, C. D. (2020). Sosialisasi digital marketing pada usaha mikro kecil menengah. *Jurnal Pengabdian Masyarakat Darma Bhakti Teuku Umar*, 2(1), 63-73.
<https://doi.org/10.35308/baktiku.v2i1.2050>
- Solihin, U. (2014). Analisis strategi pemasaran dalam menghadapi persaingan usaha pada perusahaan kain dan sarung tenun ikat cap sinar barokah kediri. *Jurnal cendekia*, 12(3), 27-30.
- Subagyo, H., Bintoro, M. H., & Hutagaol, P. (2014). Pengembangan Pasar Tenun Serat PT Retota Sakti Kabupaten Pekalongan, Jawa Tengah. *MANAJEMEN IKM: Jurnal Manajemen Pengembangan Industri Kecil Menengah*, 9(1), 54-66.
<https://doi.org/10.29244/mikm.9.1.54-66>
- Subaktilah, Y., Kuswardani, N., & Yuwanti, S. (2018). Analisis SWOT: Faktor internal dan eksternal pada pengembangan usaha gula merah tebu (Studi Kasus di UKM Bumi Asih, Kabupaten Bondowoso). *Jurnal Agroteknologi*, 12(02), 107-115.
<https://doi.org/10.19184/j-agt.v12i02.9276>
- Suka, E. A. A. G., & Lubis, S. (2019). Strategi Komunikasi Pemasaran Dalam Mempromosikan Produk Homemade Kefir di Kota Medan. *Network Media*, 2(2), 1-27.
<https://doi.org/10.46576/jnm.v2i2.562>
- Syah, R. F., Fasa, M. I., & Suharto, S. (2021). Analisis SWOT dalam strategi pemasaran produk perbankan syariah di Indonesia. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 3(3), 396-416.
<https://doi.org/10.47467/alkharaj.v4i1.364>
- Untari, S. N., Djaja, S., & Widodo, J. (2018). Strategi pemasaran mobil merek daihatsu pada dealer daihatsu Jember. *Jurnal Pendidikan Ekonomi: Jurnal Ilmiah Ilmu Pendidikan, Ilmu Ekonomi dan Ilmu Sosial*, 11(2), 82-88.
<https://doi.org/10.19184/jpe.v11i2.6451>