

## FORMULATION OF BUSINESS DEVELOPMENT STRATEGIES IN GULA AREN TEMON SMES IN PACITAN DISTRICT

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### ABSTRACT

*The development company is one of the important factors underlying the creation of a successful business so that it can maintain its productivity in the long term. Likewise, MSMEs need to design a business strategy to support the progress of their business during increasingly competitive business competition. This study aims to identify business implementation, analyze business potential, and formulate strategic priorities in Gula Aren Temon SMEs. The research method used is a qualitative method with analytical tools in the form of BMC, VRIO, SWOT, and QSPM. The results of the study show that the nine building blocks of the BMC analysis describe the interrelated elements of Gula Aren Temon SME's business implementation. The VRIO analysis results show that most of the resources owned by the business are at competitive parity. The results of the SWOT Analysis show that there are nine alternative strategies, while the priority chosen strategy to implement is to maximize the quality of service and products to maintain relationships with consumers and other partners. The strategy was chosen based on the highest TAS score, namely 6,280.*

**KEYWORDS** MSMEs; development strategy; BMC; VRIO; QSPM



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### INTRODUCTION

The development of a company is one of the factors underlying the creation of business success to be able to maintain its productivity in the long term. Likewise, MSME business actors need to strive for business development through strategy formulation and sustainable innovation updates because this has a major influence on the success of a business (Chege et al., 2020). Strategy formulation

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needs to be formulated appropriately and following business objectives so that MSME products become more competitive (Fitriasari, 2020).

The current development of MSMEs shows that MSMEs have been able to make a major contribution to the country because they are considered the most dynamic businesses that play an important role in developing human welfare and play a major role in terms of innovation, production, and adding jobs (Gamage et al., 2020; Memili et al., 2015). This is shown in data from [Kementerian Koperasi dan UKM \(2019\)](#) that the MSME workforce in 2019 was 116,978,631 people or 97% of the total workforce in the business world. Data from [\(Kementerian Koperasi dan UKM, 2019\)](#) also shows that there has been an increase in the number of MSMEs in 2019 which exceeded the number of increases in Large Enterprises (UB) and this indicates that business competition is increasingly competitive. Therefore, every MSME actor needs to adopt a strategy to survive business competition by seeking business development through the application of business models. The business model provides a general view of business activities and how the business operates in creating the value of a product or service (Carter & Carter, 2020). The application of business models can help improve company performance, create a competitive advantage, and identify the right approach from product development to pricing to meet the company's value proposition (Bashir et al., 2023; Iheanachor et al., 2021).

One of the business models that can be implemented by MSMEs is the Business Model Canvas (BMC) developed by Alexander Osterwalder and Yves Pigneur in collaboration with 470 practitioners from 45 countries. [Osterwalder and Pigneur \(2010\)](#) explains that a business model can be described through nine basic building blocks that show the flow of thinking about the company's process of making money. BMC has four main interrelated areas: customers, offerings, infrastructure, and financial feasibility. The nine BMC blocks cover the customer segment components, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structures.

In connection with the importance of business development and business strategy planning, this is also very much needed by Gula Aren MSMEs in Pacitan Regency which is unique in their business. Gula Aren Temon SMEs does not only focus on product sales but also participate in empowering local farming communities to work together in helping to provide palm sap yields which are used as raw materials for processed palm sugar. In addition, the business concept in the form of a green business is unique to this business, bearing in mind that the palm commodity has experienced scarcity in several areas due to the logging of trees, and the Gula Aren Temon SMEs seek environmental sustainability by utilizing the potential of the palm commodity in Temon Village.

Gula Aren Temon SMEs which is classified as a new business certainly has obstacles in its business process, one of which is the constraint related to limited marketing reach, so it is necessary to formulate a strategy to be able to introduce its products more broadly, as well as survive in today's business competition. Therefore, this research was carried out to provide a solution in the form of developing a business development strategy for Gula Aren Temon SMEs through Business Model Canvas (BMC) analysis, followed by the business potential analysis stage using VRIO (Value, Rarity, Imitability, Organization) analysis. The VRIO framework analyzes the potential level of a company's resources and

capabilities to serve as a sustainable competitive advantage (Li, 2021). Formulation of alternative strategies is carried out using SWOT (Strength, Weakness, Opportunity, Threat) analysis and QSPM (Quantitative Strategic Planning Matrix) analysis which are used as strategic priorities.

Previous research related to the formulation of business development strategies was carried out by Dzulfikar et al. (2022); Fandi & Kaburuan (2023); Nuryani et al. (2023); Pinem et al. (2023) which uses analysis tools in the form of BMC, SWOT, and QSPM for the formulation of strategic priorities. Likewise, Shoofiyan (2022) uses analytical tools in the form of BMC, SWOT, and VRIO for the formulation of marketing strategies. While this research comes with the application of the business identification process to the preparation of strategy formulation based on a combination of four types of analysis tools namely BMC, VRIO, SWOT, and QSPM to be able to know various aspects for developing strategies, both from business implementation models, competitive business potential, alternative strategies to strategic priorities that can be applied to the business development process. The purpose of this study is to identify the business implementation of Gula Aren Temon SMEs through nine elements of BMC; analyze the potential that can be used as an advantage by Gula Aren Temon SMEs; and make alternative strategies and strategic priorities for the development of the Gula Aren Temon SMEs business.

## **RESEARCH METHOD**

The research location was determined purposively, namely Gula Aren Temon SMEs located in Temon Village, Arjosari District, Pacitan Regency, East Java. Likewise, the research informants were selected by purposive sampling consisting of two Gula Aren Temon SMEs business owners and one employee. The informant was chosen because he has mastered the complete knowledge and business information of Gula Aren Temon SMEs, as well as knowing the conditions of the business being run. This research also involved expert informants, namely three consultants from the Pacitan KUMKM PLUT Institute who provided an assessment of business performance.

Research data collection was carried out based on analysis of BMC (Business Model Canvas), VRIO (Value, Rarity, Imitability, Organization), SWOT (Strength, Weakness, Opportunity, Threat), and QSPM (Quantitative Strategic Planning Matrix). The BMC analysis was used as reference material for in-depth interviews in the form of questions addressed to Gula Aren Temon SMEs to gather information regarding business implementation. VRIO, SWOT, and QSPM analyses were applied in a questionnaire addressed to the consultants of the PLUT Institute to assess business performance based on several predetermined assessment criteria to determine priority development strategies for Gula Aren Temon SMEs. Details regarding the criteria for assessing business potential in the VRIO analysis can be seen in Table 1 below.

**Table 1. VRIO Matrix (Filho et al., 2021)**

Are resources and capabilities...				Strengths and Weaknesses
Valuable?	Rare?	Hard to imitate?	Exploited by the organization?	
No	-	-	No	Competitive Disadvantage
Yes	No	-		Competitive parity
Yes	Yes	No		Temporary Competitive Advantage
Yes	Yes	Yes	Yes	Sustained Competitive Advantage

The following are the assessment criteria from the VRIO analysis used in this study:

- 1) Value relates to whether or not the resources and capabilities of the Gula Aren Temon SMEs are in response to threats and opportunities that appear in the Gula Aren Temon SMEs business.
- 2) Rare relates to the relatively large number of resources and capabilities of Gula Aren Temon SMEs owned by competitors.
- 3) Imitability describes whether or not the resources and capabilities of Gula Aren Temon SMEs are imitated by competitors.
- 4) The organization shows whether or not resources and capabilities are managed and utilized at the same time to support the running of the Gula Aren Temon SMEs business.

This study uses a qualitative method. The first stage is to identify business implementation through the nine elements in the BMC analysis. Then carry out an analysis of business potential based on the resources and capabilities of Gula Aren Temon SMEs and assessed with four assessment criteria from the VRIO analysis, namely Value, Rarity, Imitability, Organization. The next stage is an analysis of the company's internal and external factors through IFAS, EFAS, and SWOT matrix analysis to determine alternative development strategies. While the QSPM analysis is used in the final stage to determine strategic priorities based on the Attractive Score of each alternative strategy.

## **RESULTS AND DISCUSSION**

### **BMC Analysis (Business Model Canvas)**

#### ***Customer Segments***

The Temon Palm Sugar UMKM has several consumer segments that are adapted to product variants, namely liquid palm sugar, powdered palm sugar, chip palm sugar, red ginger powder, and palm sugar coffee. Based on these product variants, the consumer segmentation of Gula Aren Temon SMEs is end users, resellers, cafes, bakery and cake processing industries, gift shops, restaurants, and hotels.

#### ***Value Propositions***

The business of Gula Aren Temon SMEs has uniqueness and added value that makes the product different from that of competitors. In addition to paying attention to profits from sales, the business also applies the concept of community empowerment, especially local farmers who work together to carry out the process of harvesting palm sap as the raw material for processed Temon palm sugar products. These empowerment activities indirectly support the movement of the rural economy in Temon Village.

Gula Aren Temon SMEs also applies the concept of *green business* to introduce its products business implementation also needs to pay attention to environmental sustainability, considering the large number of trees being cut in various regions and the commodity of palm trees which are becoming scarce. Temon's palm sugar business takes advantage of the availability of resources and food ingredients in the vicinity, namely local palm commodities in the Temon Village area. Based on the aspects of the product produced, Gula Aren Temon SMEs strives to maintain product quality by using natural ingredients without the addition of preservatives.

#### ***Channels***

The channels used to deliver products and their value proposition are online media in the form of marketplaces, websites, and Instagram. In addition, the Gula Aren Temon SMEs also carry out product sales offline *at* their production house. The distribution of products is carried out through a process of collaboration with shipping expedition couriers and some products are distributed independently.

#### ***Customer Relationships***

The business development of a company certainly needs to be supported by consumer loyalty. The formation of consumer loyalty to the company can be achieved through the creation of good relations between the company and consumers. Likewise, Gula Aren Temon SMEs strive to maintain good relations with their consumers through the application of communication techniques in the form of regular follow-ups using the 4/7/30 technique. The owner of the Gula Aren Temon SMEs business follows up with consumers and resellers on the fourth day after the transaction, the seventh day, and the thirtieth day after the transaction to find out information regarding ongoing shipping conditions, product or service testimonials, criticism, and suggestions, and make product promo offers through broadcast messages on the WhatsApp application.

#### ***Revenue Streams***

The main income received by Gula Aren Temon SMEs comes from selling products offline and online from the marketplace, both aimed directly at end users and resellers and gift shops. In connection with the sale of palm sugar products, Gula Aren Temon SMEs has a wide variety of products at different prices. There are product variants with sizes of 100-250 grams with prices starting at IDR 8,000 to IDR 20,000 per item.

#### ***Key Resources***

Key resources are defined as the main resources in the form of important assets needed to run a business. The resources owned by Gula Aren Temon SMEs include three types, namely physical resources, organizational resources, and human resources. The physical resources of Gula Aren Temon SMEs consist of production machine tools such as crystallized, ovens, pollinators or milling tools, and sealers. The human resources in this business include the capabilities and experience possessed by each workforce, while organizational resources include the production process, planning, monitoring of the production process, and the social relations that exist between Gula Aren Temon SMEs and the external environment.

#### ***Key Activities***

The main activities of Gula Aren Temon SMEs include controlling farmers in the harvesting process, sorting the sap yields, production activities, stock taking, product delivery, regular deliberations with farmer groups, training, and discussions

with related institutions. Many interested agencies often come periodically for routine institutional visits, services, and business monitoring.

**Key Partnerships**

Business partners who have an attachment to cooperation with Gula Aren Temon SMEs are farmer groups, shipping expeditions, some resellers, and souvenir shops in Pacitan Regency and outside Pacitan. The form of cooperation from the farmer groups in Temon Village is to provide the yields of sap and palm sugar chips to be used as the main raw material for Temon Palm Sugar products. Likewise, the expeditionary party provides special promos for the delivery of goods carried out by Gula Aren Temon SMEs, while resellers and souvenir shops already have agreements to purchase products in larger quantities and apply wholesale prices.

**Cost Structures**

During the course of the business process, generally, the cost components are incurred through fixed costs and variable costs to meet business needs such as labor wages, product packaging costs, and raw materials. In addition, Gula Aren Temon SMEs also incur expenses for the fulfillment of production equipment such as the cost of electricity, water, and gas cylinders. Another cost component that is the main expense for Gula Aren Temon SMEs is transportation costs for product distribution independently and labor overtime wages.

**VRIO Analysis (Value, Rarity, Imitability, Organization)**

Each company certainly has capabilities and resources that are its characteristics and can be used as a competitive advantage that differentiates it from competitors. By the explanation of (Kaliannan et al., 2023) that the VRIO framework is one of the tools designed to find resources and capabilities that are a long-term competitive advantage for companies. Both of these can be analyzed using the four indicators in VRIO, namely Value, Rarity, Imitability, and Organization. VRIO analysis in this study is used to show the potential of Gula Aren Temon SMEs. The results of the analysis of resources and capabilities in Gula Aren Temon SMEs are detailed in Table 2.

**Table 2. VRIO Analysis of Gula Aren Temon SMEs Resources (Primary Data, 2023)**

Resource	V	R	I	O	Competitive Implications
Loyal consumers of Temon Palm Sugar products	√	X	X	X	Competitive parity
Farmer group partnerships	√	X	X	√	Competitive parity
The loyalty of raw material suppliers	√	X	X	X	Competitive parity
Website and social media	√	X	X	√	Competitive parity
Reseller network in various cities	√	X	X	√	Competitive parity
Use of natural ingredients in products	√	√	X	X	Temporary Competitive Advantage
Production house location	X	X	X	X	Competitive disadvantage
The level of ease in accessing raw materials	√	X	X	X	Competitive parity

Resource	V	R	I	O	Competitive Implications
Cooperation relations with consumers, and related institutions	√	√	√	√	Sustained competitive advantage
Product warranty and guarantee	√	X	X	X	Competitive parity
Machine facilities for production	X	X	X	X	Competitive disadvantage
Packaging design and completeness of food labels	√	√	√	√	Sustained competitive advantage
A business concept that prioritizes green business	√	√	√	√	Sustained competitive advantage

Table 2 describes that there are 13 internal resources owned by Gula Aren Temon SMEs and 7 of them are included in the competitive parity category which indicates that these resources have competitive advantages that are the same as competitors (Arthamin et al., 2021). In addition, there is one resource that is classified as a temporary competitive advantage, which means that this resource is capable of being a distinct advantage for Gula Aren Temon SMEs, but competitors can duplicate or do the same thing. The other three resources are classified as a sustained competitive advantage which is described as a strong and sustainable advantage for Gula Aren Temon SMEs, so when competitors duplicate these resources it will be expensive. Meanwhile, a resource that is classified as a competitive disadvantage is considered a weakness for Gula Aren Temon SMEs.

**Table 3. VRIO Analysis of Gula Aren Temon SMEs Capabilities (Primary Data, 2023)**

Capability	V	R	I	O	Competitive Implications
Ability to maintain partnership relations	√	√	X	X	Temporary Competitive Advantage
Ability to manage farmer groups	√	√	X	√	Temporary Competitive Advantage
Ability to work in teams	√	X	X	√	Competitive parity
Ability to monitor product quality	√	X	X	√	Competitive parity
Ability to maintain communication with consumers	√	X	X	√	Competitive parity
Ability to organize the supply of raw materials	√	X	X	X	Competitive parity
Ability to promote products	X	X	X	X	Competitive disadvantage
Product delivery speed	√	X	X	X	Competitive parity
Realization capability of product development	√	X	X	√	Competitive parity
Ability to manage company finances	X	X	X	X	Competitive disadvantage

Based on Table 3 it can be seen that Gula Aren Temon SMEs have six capabilities that are classified as competitive parity and which means that these capabilities are advantages that are equivalent to competitors' resources. In addition, Gula Aren Temon SMEs also has two capabilities that are classified as temporary competitive advantages, meaning that these capabilities are temporary advantages because competitors will be able to duplicate these advantages. Two other capabilities are competitive disadvantages that are considered detrimental to

business implementation, namely the ability to promote products and the ability to manage company finances. This is by the conditions experienced by related businesses that the lack of marketing outreach is due to the lack of optimal promotional activities carried out. In addition, business owners also have not implemented financial management by accounting principles, so all forms of expenditure and income records are only recorded in financial applications.

#### **Internal and External Factor Analysis**

Based on the results of the VRIO analysis in the previous discussion, it can be seen that there are internal factors in the form of strengths and weaknesses in the Gula Aren Temon SMEs business. The strength possessed by the Gula Aren Temon SMEs business consists of 19 factors, namely loyal consumers; farmer group partnerships; raw material supplier loyalty; reseller network in various cities; use of natural ingredients in products; website and social media; cooperative relationships with consumers, institutions and related communities; product warranty and guarantee; level of ease in accessing raw materials; packaging design and completeness of food labels; a business concept that prioritizes green business; ability to maintain partnership relations; ability to manage farmer groups; ability to work in teams; ability to supervise product quality; the ability to maintain relationships with consumers; the ability to organize the supply of raw materials; product delivery speed; and the ability to realize product development. The factors that are classified as weaknesses for Gula Aren Temon SMEs are the location of the production house that is less strategic; machine facilities for the production process; the ability to promote products; and the ability to manage company finances.

The external factors are factors from outside the company that has a big influence when changes occur (Pasaribu et al., 2019) and the identified external factors consist of opportunities and threats. Based on BMC analysis, the opportunity factors that influence the success of this business are loyal customers who recommend products to other potential customers; production machine technology development; the increasing trend of people's healthy lifestyle; increase in market demand at certain times (holidays, the fasting month, holidays, etc.); business assistance by related institutions; expansion of market reach through export activities; and improving the community's economy through village potential. Meanwhile, external factors that pose a threat to Gula Aren Temon SMEs are changes in government policies related to environmental ecology; the emergence of potential competitors; similar competitors having lower product prices; the existence of substitute products; decline in the economic condition of the community; and the location of competing companies is more accessible to consumers.

#### **IFAS Analysis (Internal Factor Analysis Summary); EFAS Analysis (External Factor Analysis Summary); and SWOT Analysis (Strength, Weakness, Opportunity, Threat)**

IFAS and EFAS analyses are carried out to obtain analysis conclusions so that strategy formulation can be designed more effectively (Nuraini & Sumadhinata, 2022) while at the same time knowing the level of the role of internal and external factors in a company which is calculated by ratings, weights, and scores (Rizki et al., 2021). The rating describes how much influence internal and



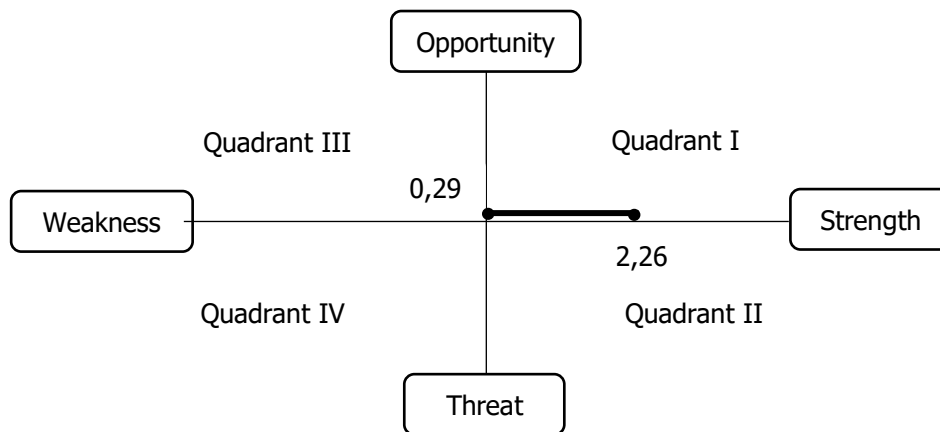
external factors have on business implementation at Gula Aren Temon SMEs, and conclusions drawn from the rating are seen based on the average value of all informants. The next assessment is the weight which describes the level of importance of each internal and external factor, while the score is obtained from the multiplication between the rating and the weight for each factor. The results of the IFAS and EFAS analysis calculations can be seen in Table 4.

**Table 4. IFAS and EFAS Matrix Analysis (Primary Data, 2023)**

<b>Strength</b>	<b>Ratings</b>	<b>Weight</b>	<b>Score</b>
Loyal consumers of Temon Palm Sugar products	3,3	0.04	0.13
Farmer group partnerships	4	0.04	0.16
The Loyalty of raw material suppliers (farmer groups)	4	0.04	0.16
Reseller network in various cities	3,3	0.04	0.13
Use of natural ingredients in products	2,7	0.05	0.14
Website and social media	3,3	0.05	0.17
Cooperation relations with consumers and related institutions	2,7	0.04	0.11
Product warranty and guarantee	2,7	0.04	0.11
The level of ease in accessing raw materials	3,3	0.04	0.13
Packaging design and completeness of food labels	4	0.04	0.16
A business concept that prioritizes green business	2,7	0.05	0.14
Ability to maintain partnership relations	4	0.04	0.16
Ability to manage farmer groups	4	0.04	0.16
Ability to work in teams	3,3	0.04	0.13
Ability to monitor product quality	3,7	0.04	0.15
Ability to maintain relationships with consumers	3,3	0.05	0.17
Ability to organize the supply of raw materials	3,7	0.04	0.15
Product delivery speed	3,3	0.05	0.17
Realization capability of product development	3,3	0.04	0.13
<b>Sub Total Strength</b>			<b>2,7</b>
<b>Weakness</b>	<b>Ratings</b>	<b>Weight</b>	<b>Score</b>
Production house location	3	0.05	0.15
Machine facilities for production	2,3	0.05	0.12
Ability to promote products	2,7	0.04	0.11
Ability to manage finances within the company	2,7	0.04	0.11
<b>Sub Total Weakness</b>			<b>0.5</b>
<b>Opportunity</b>	<b>Ratings</b>	<b>Weight</b>	<b>Score</b>
Loyal customers who recommend products to other potential customers	2,7	0.08	0.22
Development of production machine technology	3,3	0.08	0.26
Increasing the trend of healthy lifestyles among the people	4	0.08	0.32
Increase in market demand at certain times	3,3	0.07	0.23
Business assistance by related institutions	3,3	0.07	0.23
Expansion of market reach through export activities	4	0.07	0.28
Improving the community's economy through village potential	3	0.07	0.21

Strength	Ratings	Weight	Score
<b>Sub Total Opportunity</b>			<b>1.75</b>
Threat	Ratings	Weight	Score
Changes in government policies related to environmental ecology	4	0.08	0.32
The emergence of potential competitors	2	0.08	0.16
Similar competitors have lower product prices	3,3	0.08	0.26
There are substitute products	3	0.08	0.24
The decline in the economic condition of the community	3	0.08	0.24
The location of competing companies is easier for consumers to reach	3	0.08	0.24
<b>Sub Total Threat</b>			<b>1.46</b>

Based on the calculation of the IFAS and EFAS values (Table 3), it can be seen the coordinates of the X and Y axes to determine the position of the Gula Aren Temon SMEs business in the SWOT quadrant. The X-axis shows the number 2.26 which is obtained based on the calculation between the strength score and the weakness score, namely  $2.7 - 0.5 = 2.26$ . Meanwhile, the coordinates on the Y axis show the number 0.29 and are obtained based on the calculation of the opportunity and threat scores, namely  $1.75 - 1.46 = 0.29$ . Through these two points, it is possible to identify the point of intersection of the X and Y axes which indicates that there is an alternative strategic position that needs to be implemented first by Gula Aren Temon SMEs. The results of the SWOT quadrant for this business can be seen in Figure 1.



**Figure 1. SWOT Quadrant (Primary Data, 2023)**

Figure 1 shows that the intersection of the X and Y axes is in quadrant 1 which shows that the Gula Aren Temon SMEs business is in a favorable condition because the company has the opportunity to set a strategy with a combination of opportunity and strength factors to maximize the opportunities that will arise (Suherman et al., 2017), so that the right alternative strategy to apply to this condition is a strategy by creating an aggressive growth policy (*growth-oriented strategy*) (Habib & Risnawati, 2017).

Based on SWOT Matrix Analysis, SO (Strength-Opportunity) strategy combination that needs to be implemented by Gula Aren Temon SMEs is to maximize service and product quality to maintain relationships with consumers and

other partners. In addition, carry out intensive promotions on websites and social media that have been owned to reach a wider market. Another SO strategy that can be implemented is to utilize training and business assistance from related institutions to optimize the realization of business development and product innovation.

**QSPM (Quantitative Strategy Planning Matrix) Analysis**

The use of QSPM Analysis is intended to make strategic decisions by comparing alternative strategies that are more feasible to implement within the company, and the calculation is based on the Total Attractive Score (TAS) of each strategic factor (Mallick et al., 2020). QSPM Analysis in this study is used to determine the priority of the selected strategy based on alternative strategies in the SWOT Analysis. The following is Table 4 regarding the results of the QSPM Analysis with nine alternative strategies and their strategic rankings adjusted for the TAS (Total Attractive Score).

**Table 5. QSPM Analysis (Primary Data, 2023)**

Rank	Alternative Strategy	TAS
1.	Maximizing the quality of services and products to maintain relationships with consumers and other partners	6,280
2.	Carry out intensive promotions on websites and social media to reach a wider market	6,217
6.	Utilizing training and business assistance from related institutions to optimize the realization of business development and product innovation	5,887
9.	Improve skills and abilities regarding Search Engine Optimization (SEO) for website promotion and optimize with Search Engine Marketing (SEM) techniques to reach the greater market demand	5,693
7.	Study in financial management training by accounting rules to minimize operational risk	5,860
8.	Change the packaging design at certain times to maintain consumer interest and minimize consumer interest in competitors' products	5,800
4.	Strengthening branding through the green business concept to create brand awareness in the form of a business that pays attention to environmental sustainability while empowering farmers	5,990
3.	Improve promotional capabilities to create brand loyalty	6,130
5.	Consistently provide attractive bonuses and promos for consumers, resellers, and drop shippers	5,890

Based on Table 5, shows that the strategy that has the first rank is maximizing the quality of services and products to maintain relationships with consumers and other partners. The three experts, namely PLUT KUMKM consultants, have a good interest in alternative strategies in the QSPM Analysis because implementing strategies to maintain relationships with consumers and other partners is the main thing that needs to be considered to maintain the sustainability of the company. This strategy is also considered to have a major influence on the realization of Gula Aren Temon SMEs business plans for a long period because efforts to maintain relationships can bring great opportunities for the company, without consumers, the sales cycle will not run well. Likewise, efforts to maintain relationships with partners, one of which is raw material supplier partners, namely farmer groups in Temon Village, play an important role in terms of supporting stock availability for daily production needs.

## CONCLUSIONS

Identification of the nine basic building blocks of BMC in Gula Aren Temon SMEs shows that various kinds of business elements are interrelated and have the opportunity to design further business development. The results of the VRIO Analysis show that the majority of internal factors are competitive parity in the sense that 56.5% of the resources and capabilities of Gula Aren Temon SMEs are also owned by similar competitors. While the SWOT Analysis shows that Gula Aren Temon SMEs business is located in quadrant 1 and needs to apply a combination of SO (Strength-Opportunity) strategies, namely maximizing service and product quality, carrying out intensive promotions, and utilizing training and business assistance from related institutions. Based on these alternative strategies, the QSPM Analysis shows that there are priority strategies that must be carried out first, namely maximizing service quality and product quality and this strategy was chosen because it has the highest TAS value of 6.280.

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