ANALYSIS OF STRATEGY FOR TANGGUH SMEs ASSISTED BY DT PEDULI EAST JAVA IN THE PANDEMIC COVID-19

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Abstract

Tangguh SMEs is an empowerment program for the community by Daarut Tauhid Peduli East Java in entrepreneurship field which was founded in 2020 which coincides with the Covid-19 pandemic. It has an impact on delays in the production and sales process. The purpose of this study is to analyze the internal and external conditions of the business and formulate a business strategy that is suitable for Tangguh SMEs. The research method used is a qualitative-descriptive. Data collection techniques using observation, interviews, and documentation. The data that has been collected is then analyzed using the IFE and EFE matrices, SWOT matrix, IE matrix, and QSPM. The result of the IFE matrix is 3.05 and EFE matrix is 3.00. Then the results of SWOT matrix and IE matrix show that the position is in a growth and development strategy so that strategic choices that can be applied are market penetration, product development, market development, and horizontal integration. The final result of this research can be concluded that the recommendation of the right strategy for Tangguh SMEs from QSPM is a market development strategy then followed by a product development strategy.

Keywords: Tangguh SMEs; Covid-19; business strategy; strategy choice.

1. INTRODUCTION

The Covid-19 pandemic has an impact on various sectors, including the economic sector. In the economic sector, it can be seen in the economic growth which has decreased significantly throughout 2020. Based on data from the Badan Pusat Statistik, the Indonesian economy in 2020 experienced a contraction of 2.07% compared to the previous year. This is due to the decreasing level of public consumption. In addition, several companies have had to take time off, cut wages and lay off their employees. These are some of the impacts of the existence of government policies to suppress the chain of spread of Covid-19, such as social distancing, PSBB, etc. This is shown based on the Big Data Employment Analysis that unemployment in Indonesia reached 9.77 million people, which increased by 2.67 million people in August 2020 (Badan Pusat Stastik, 2020). In addition, the number of job vacancies advertised tended to decrease to 3,541 in the July 2020 period, which indicates that all sectors are not looking for new workers. Thus, this resulted in an increase in the poverty rate of 10.19% compared to the same period the previous year. INDEF predicts that in 2021 there will be an additional 1.1 million

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unemployed people as a result of Covid-19 and as many as 2.5 million people will be a new unused workforce which will further add to the new poor (Handayani, 2021).

On the other hand, Micro, Small and Medium Enterprises (MSMEs) are a support in expanding the market economy which can reduce poverty problems and contribute greatly to improving the regional economy and the national economy (Setyanto, 2015). MSMEs as one of the pillars of the Indonesian economy, it is shown that MSMEs have the ability to absorb the largest workforce, which is 97% also affected. The contribution of MSMEs to GDP was 60.3% in 2019, but decreased significantly by 38.14% in 2020, namely 37.3%. This of course requires collaboration and synergy of all parties, from the government, business actors, to the community to be able to restore the Indonesian economy.

In developing and maintaining a business so that it can survive in any condition, strategic planning is needed. This planning requires stages in order to make decisions for the long and short term. Strategic planning or what is called strategic management is a field that studies in which it discusses the formulation, execution, and assessment of actions taken to achieve the goals of a particular company or organization (Fred, 2004). According to Lawrence R. Jauch and Wiliam F. Gluench (1998) that strategic management contains a number of decisions and actions that are used in developing an effective strategy in order to achieve company goals (Taufiqurokhman, 2016). This is done by designing strategic designs and implementing programs through existing resources to achieve goals and make optimal use of resources.

In strategic management, there are several stages that must be carried out, namely strategy formulation, strategy implementation, and strategy evaluation. In the strategy formulation stage, it includes developing a business mission, identifying an external opportunity and threat, measuring and determining the internal weaknesses and strengths of the company and choosing a strategy that will be applied to certain situations and conditions. Therefore, in implementing strategic management, an important first step to take is to formulate problems and select strategies for businesses that will be implemented in a sustainable manner. Analysis and strategy selection are used in determining the best alternative action in building the company in order to achieve its mission and objectives. Analysis and choice of strategies are based on objective information that has been obtained and involve subjective decision making (Fred, 2016).

In formulating a strategy there are several crucial things that need to be considered, including: a) the external environment that is used to control and evaluate factors outside the organization or company that have an impact on managerial and operational processes, b) the internal environment used to identify , review, and evaluate the factors that come from the company. These factors are used to determine the superiority of the company's strategy so that it can anticipate the opportunities and threats of the company effectively and efficiently (Lawrence & Wiliam, 2001). This is because a business cannot be separated from various kinds of changes that originate from these two environmental factors (Putriani, 2017).

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LAZ Daarut Tauhid Peduli East Java also provides guidance to MSMEs in order to empower people to be productive in producing products or services through borrowing capital along with management training, character change, and b'usiness development. The development program is called Tangguh SMEs with the "Kelompok Usaha Bersama (KuBe)" mechanism which is carried out in the handicraft and culinary business sector. The program has been running since 2020 until now. Although the program has not reached the public yet, it can help increase family income in the area. The existence of the Covid-19 pandemic has also had an impact on Tangguh SMEs, such as stopping production and lack of capital for operations. Therefore, it is necessary to have strategic management which requires an initial step, namely conducting an analysis of internal and external aspects which then determines the right strategic choice to run.

In line with the background explanation above, the formulation of the problem can be drawn, namely how to identify the conditions of internal strategic factors and external strategic factors in Tangguh SMEs assisted by Daarut Tauhid Peduli East Java?; how to formulate and formulate a business strategy for the SMEs assisted by Daarut Tauhid Peduli East Java in the middle of the Covid-19 pandemic? While the purpose of this research is to identify internal and external factors of SMEs, as well as to formulate business strategies and provide recommendations for business strategies that are suitable to be applied to SMEs assisted by Daarut Tauhid Peduli East Java as an effort to develop business in the middle of the Covid-19 pandemic. The results of this study are expected to be a benchmark in planning and analyzing effective strategies for the development of the Tangguh SMEs under the guidance of Daarut Tauhid Peduli East Java.

2. LITERATURE STUDY

2.1 Strategy

Strategy is a way of achieving long-term goals for a business. Business strategies can be in the form of geographic expansion, diversification, acquisition, product development, market development, divestment, market penetration, liquidation, and joint ventures (Fred, 2012). Strategy as a theory related to how companies achieve their competitive advantages (Barney & Hesterly, 2008). Strategy has an important role for an organization so it is necessary to formulate a strategy. Strategy formulation requires consideration of alternative strategies so that the right strategy can be determined. In the formulation of a strategy, analysis and choice of strategy are needed which consists of 3 stages, namely the input stage, the matching stage, and the decision stage which can be shown in Figure 1.Where in the analysis and choice of strategies is carried out by involving subjective decisions based on objective information (Fred, 2016).

Figure 1. Comprehensive Strategy Formulation Framework

STAGE 1: INPUT STAGE		
External Factor Evaluation – EFE Matrix	Competitive Profile Matrix – CPM	Internal Factor Evaluation – IFE Matrix
STAGE 2: MATCHING STAGE				
Strenght-Weakness-Opportunity-Threat – SWOT Matrix	Strategic Position and Action Evaluation – SPACE Matrix	Boston Consulting Group – BCG Matrix	Internal-External –IE Matrix	Grand Strategy Matrix
STAGE 3: DECISION STAGE				
Quantitative Strategic Planning Matrix – QSPM				

Source: Fred, 2016

2.2 Input Stage

The input stage is the stage in formulating a strategy from the basic information that is summarized. In the input stage, three tools can be used, including the IFE (Internal Factor Evaluation) matrix, CPM (Competitive Profile Matrix), and EFE (External Factor Evaluation) to obtain basic input information, which will be used for the next stage, namely the matching stage and the decision stage. During the early stages of the strategy formulation process these input tools were used by strategy managers to measure subjectively. Effective strategy creation and evaluation is carried out by making various simple decisions in the input matrix concerning strategic factors (Fred, 2016).

2.3 Matching Stage

The matching stage aims to get the result of a suitable alternative strategy, but it is not the best strategy. The matching stage relies on the derivative of information from the input stage which is used to match external factors (opportunities and threats) with internal factors (strengths and weaknesses). In this stage, it is a framework in formulating a strategy that can be used in five techniques including the SWOT matrix, SPACE matrix, BCG matrix, IE matrix, and big strategy matrix that depend on information from the input stage (Fred, 2016).

2.4 Decision Stage

The QSPM (Quantitative Strategic Planning Matrix) matrix is an analytical tool in which strategists assess or evaluate various alternative strategies based on internal and external success that they have identified objectively. QSPM is based on internal and external success factors as a step to determine the attractive score (relative attractiveness) of a number of alternative strategies. At the decision stage, analysis and intuition are carried out which are the basis for strategic formulation decisions. The right strategy that can be applied to the company can be determined from the results of the analysis in the second stage or the matching stage which is summarized and re-analyzed to define and formulate an appropriate and appropriate strategy. Generally at the decision stage, strategists use a Quantitative Strategic Planning Matrix (QSPM) which can objectively

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show the most appropriate strategy. The QSPM is carried out using analysis from stage 1 (input stage) and results from stage 2 (matching stage) (Fred, 2016).

2.5 Micro, Small And Medium Enterprises

Micro, Small and Medium Enterprises (MSMEs) play an important role in the development of the economy in Indonesia. In Indonesia, MSMEs have proven their existence where when the crisis occurred in 1998, small and medium scale businesses were relatively able to survive compared to large companies. Micro, Small and Medium Enterprises (MSMEs) play an important role in economic growth in Indonesia. MSMEs provide a sizeable contribution to the absorption of labor and national income (GDP). In addition, the UMKM network is spread to various corners of the region so that it can develop the potential of the wider community (Bappenas, 2018).

In general, the development of MSMEs in Indonesia has a role in the country's economy, including:

a. MSMEs as actors in economic business activities
b. MSMEs have a fairly large role in the development of the local economy and empowerment of society
c. MSMEs contribute significantly to the expansion of employment opportunities
d. MSMEs create new innovation markets
e. MSMEs make a direct contribution to the balance of payments.

2.6 Previous Research

Based on the research of Irma Wardani and Umi Nur Solikah (2019) entilted "Formulation of the Strategy for the Development of Small Micro Business in the Efforts to Increase the Competitiveness of Local Agriculture Products (Case Study In Sukoharjo District)" which aims to formulate alternative strategies that are applied to develop micro and small businesses in increasing the competitiveness of local products. The results indicate that the right choice strategy is a product development strategy. Other research by Hany Setyorini, Mas'ud Effendi, and Imam Santoso (2016) entilted "Marketing Strategy Analysis Using SWOT Matrix and QSPM (Case Study: WS Restaurant Soekarno Hatta Malang)" shows priority strategies that can be applied to business development, especially in the marketing sector. is to maintain the company's image. Based on Amiruddin's research (2017) entitled "Rategy Formulation Using SWOT And QSPM Analysis in Determining the Direction of Business Development (Case Study: PT Consolidated Electric Power Asia)" shows the results of strategies that can be applied by companies are product or service development strategies, strategies O&M, then backward integration strategy.

3. RESEARCH METHODOLOGY

The research method is to use a qualitative approach with descriptive research type. A qualitative approach is to describe certain social situations or circumstances in detail with relevant collection and analysis techniques (Lexy & Moleong, 2008). Descriptive research is research that puts forward a review of various references that have little in common with the theoretical study approach. However, this descriptive approach describes the facts and characteristics of objects and subjects systematically to solve

current and actual problems (Sugiyono, 2005). Researchers collect data and information through observation, interviews, and library research.

In this study, there are two sources of data used. The primary data source was obtained from the Head of the East Java Daarut Tauhid Peduli Program as an informant who provided data and information through interviews. Meanwhile, secondary data sources were obtained from books, journals, articles, and references related to the research topic. In this study, researchers collected data using three methods, including: 1) Observations were made by direct observation and then recorded the observations in the field; 2) Interviews conducted by a series of question-and-answer activities by researchers with related parties as informants in this study. Interview activities were carried out with the Head of the Daarut Tauhid Peduli Program Section for East Java; 3) Documentation, namely the collection, selection, processing and storage of data and information obtained in the field. The data collection technique used is in accordance with the documented background of the research object and uses other documents to support research data related to the research topic.

The process of data analysis and strategy selection in this study was carried out in three stages, namely: 1) the input stage using the External Factor Evaluation (EFE) Matrix and the Internal Factor Evaluation (IFE) Matrix to identify internal strategic factors and external strategic factors in micro and small businesses; 2) Matching phase using the SWOT Matrix and Internal-External Matrix (IE) to determine the various alternatives used to determine the strategy of micro and small enterprises; and 3) the decision stage using the Quantitative Strategic Planning Matrix (QSPM) is used to formulate a strategy for developing an alternative strategy matrix.

4. RESULT AND DISCUSSION

4.1 Overview of Tangguh SMES under the guidance of Daarut Tauhid Peduli East Java

Daarut Tauhid Peduli is a National Amil Zakat Institution located in various regions in Indonesia, one of which is located in East Java. Daarut Tauhid Peduli East Java was founded on March 24, 2019, located in Surabaya. There are several programs that are implemented, namely in the fields of social, da'wah, and productive waqf, education, entrepreneurship, and Islamic culture. One of the programs implemented by DT Peduli Jatim in the field of entrepreneurship is the establishment of an empowerment program called SMES Tangguh. Tangguh SMES is an empowerment program for the community consisting of KuBe (Kelompok Usaha Bersama), DTCC (Daarut Tauhid Creative Center), and Tangguh Gerobak. KuBe (Kelompok Usaha Bersama) is a program to empower the community to produce food and beverage products, such as honey pia dates, coffee and chocolate bread, sponge cake, sweet corn milk drink, and so on. This program has been running since April 2020 which coincides with the Covid-19 pandemic. In addition to providing capital to facilitate production operations, Daarut Tauhid Peduli East Java also provides assistance and guidance to produce and market products, as well as character building through the concept of Qolbu Management for the assistants.

4.2 Identification of Internal and External Factors

Tangguh SMEs under Daarut Tauhid Peduli East Java is currently required to identify the internal and external factors that affect the Tangguh SMEs guided by Daarut Tauhid Peduli in order to develop the condition of SMEs. Internal factors consist of strengths and weaknesses, while external factors consist of opportunities and threats for SMEs under the guidance of Daarut Tauhid Peduli. Internal factors include marketing, products and operations, finance, Human Resources (HR), internal management, and research and development. The following are internal factors in Tangguh SMEs under Daarut Tauhid Peduli East Java:

a. Strength

Strength is the ability that can provide a comparative advantage for the company among its competitors in the market. Strength is a factor that can be controlled by the company. The results of the identification of the strength factors in the Tangguh SMEa assisted by Daarut Tauhid Peduli East Java are as follows:

1) Tangguh SMEs produces unique product innovations.
2) Tangguh SMEs produces products that have long durability.
3) Tangguh SMEs are able to produce low production prices but still have quality products.
4) Adequate location of Tangguh SMEs to produce and market the product.
5) SMES Tangguh has high morale human resources (HR).
6) Tangguh SMEs has been able to generate short-term capital independently.
7) The working principles of Tangguh SMEs are in accordance with Islamic business.

b. Weakness

Weakness is a limitation that comes from resources, skills, and abilities as factors that hinder the performance of a company or organization. The results of the identification of the weakness factors in the Tangguh SMEs under Daarut Tauhid Peduli East Java are as follows:

1) Tangguh SMEs has not been able to return its long-term capital independently.
2) Tangguh SMEs have not maximized digital sales.
3) Tangguh SMEs does not yet have a structured management.
4) Tangguh SMEs still produces manual production.
5) Tangguh SMEs has not conducted market research.
6) Tangguh SMEs does not have standardization of employee work, so the quality of its human resources is still low.
7) Tangguh SMEs still lacks sales force and direct promotion media to customers.

Then, identifying external factors such as opportunities and threats can assist Tangguh SMEs in developing a clear mission, planning strategies to achieve their long-term and short-term goals, and developing various policies. External factors include economic, social and cultural conditions, politics, demographics, strength of negotiations with suppliers, threats of new competitors and threats of substituted products. The

following are external factors for Tangguh SMEs assisted by Daarut Tauhid Peduli East Java:

a. Opportunity

Opportunity is an important situation that can provide benefits for a company or organization. The results of the identification of opportunity factors for Tangguh SMEs assisted by Daarut Tauhid Peduli East Java are as follows:

1) The culinary business has a potential market.
2) Consumer loyalty to the product.
3) There are still few competitors for similar products.
4) Quality raw materials from good suppliers.
5) Products can be sold at any time so that business is ensured that it is not seasonal.
6) Increase in product sales under certain conditions, such as a celebration.
7) Support from local government in SMEs development.

b. Threat

Threat is an important situation that does not provide benefits for the company or organization. The results of the identification of threat factors in Tangguh SMES assisted by Daarut Tauhid Peduli East Java are as follows:

1) Every year there is an increase in the price of raw materials.
2) Public perception of the product.
3) The emergence of new competitors in the same field.
4) Price-sensitive customers choose products that have lower prices.
5) The level of public consumption that has decreased in certain situations and conditions.
6) Types of food and drinks that are increasingly varied.
7) Community lifestyle.

4.3 Input Stage: Determine the IFE (Internal Factor Evaluation) Matrix and EFE (External Factor Evaluation) Matrix

IFE and EFE matrices are tools in strategic management which are generally used to assess current business conditions (Amirudin, 2017). The IFE matrix is a tool used to evaluate the company's internal environment and to represent its strengths and weaknesses quantitatively. The EFE matrix is a tool used to examine the company's external environment and to quantitatively identify existing opportunities and threats. In determining the weight of each key factor is given a weight ranging from 0.0 which gives a weak effect to 1.0 which means that it has a strong influence, where the total weight of each key factor must add up to 1.0. Meanwhile, in determining the internal matrix rating, it refers to how strong or weak each of the factors affecting Tangguh SMEs, which ranges from 1-4. Then, the rating on the external matrix refers to how effective the current strategy of Tangguh MSMEs is in responding to opportunities and threats ranging from 1-4, where scale 4 means the response of SMEs is very strong, scale 3 means that the response of SMEs is strong against these factors. 2 means the response of SMEs is weak, and scale 1 means that the response of SMEs is very weak against these factors.

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Table 1. IFE Score Calculation Results

Internal Factors			
Strength	**Weight**	**Rating**	**Weight x Rating**
1. Tangguh SMEs produces unique product innovations	0,11	4	0,42
2. Tangguh SMEs produces products that have long durability	0,08	3	0,24
3. Tangguh SMEs are able to produce low production prices but still have quality products	0,08	3	0,24
4. Adequate location of Tangguh SMEs to produce and market the product	0,08	3	0,24
5. Tangguh SMEs has high morale human resources (HR)	0,08	3	0,24
6. Tangguh SMEs has been able to generate short-term capital independently	0,05	2	0,11
7. The working principles of SMEs are in accordance with Islamic business	0,11	4	0,42
Sub-Total	**0,58**		**1,89**
Weakness	**Weight**	**Rating**	**Weight x Rating**
1. Tangguh SMEs has not been able to return its long-term capital independently	0,03	1	0,03
2. Tangguh SMEs has not maximized digital sales	0,03	1	0,03
3. Tangguh SMEs does not yet have a structured management	0,05	2	0,11
4. Tangguh SMEs still produces manual production	0,08	3	0,24
5. Tangguh SMEs has not conducted market research	0,05	2	0,11
6. Tangguh SMEs does not have standardized work for employees, so the quality of its human resources is still low	0,08	3	0,24
7. Tangguh SMEs still lacks sales force and direct promotion media to customers	0,11	4	0,42
Sub-Total	**0,42**		**1,16**
Total	**1,00**		**3,05**

Table 2. EFE Score Calculation Results

External Factors			
Opportunity	**Weight**	**Rating**	**Weight**

				x Rating
1.	The culinary business has a potential market	0,08	3	0,23
2.	Consumer loyalty to the product	0,05	2	0,10
3.	There are still few competitors for similar products	0,08	3	0,23
4.	Quality raw materials from good suppliers	0,08	3	0,23
5.	Products can be sold at any time so that business is ensured that it is not seasonal	0,10	4	0,41
6.	Increase in product sales under certain conditions, such as a celebration	0,10	4	0,41
7.	Support from local governments in the development of SMEs	0,03	1	0,03
Sub-Total		**0,51**		**1,64**
Threat		**Weight**	**Rating**	**Weight x Rating**
1.	Every year there is an increase in the price of raw materials	0,08	3	0,23
2.	Public perception of the product	0,08	3	0,23
3.	The emergence of new competitors in the same field	0,05	2	0,10
4.	Price-sensitive customers choose products that have lower prices	0,08	3	0,23
5.	The level of public consumption that has decreased in certain situations and conditions	0,08	3	0,23
6.	Types of food and drinks are increasingly varied	0,08	3	0,23
7.	Community lifestyle	0,05	2	0,10
Sub-Total		**0,49**		**1,36**
Total		**1,00**		**3,00**

From table 1 it can be seen that the strength factor has a weighted average score of 1.89; while the weakness factor has a weighted average score of 1.16 meaning that in determining the marketing strategy to increase competitiveness, when compared to the weakness factors of the Tangguh SMEs, it has a greater strength. Furthermore, in table 2 the opportunity shows a weighted average score of 1.64 and the threat factor has a weighted average score of 1.36 so that when compared with the threat that will arise it can be seen that the opportunity factor is quite large in determining the competition strategy. Therefore, Tangguh SMEs has the ability to exploit its potential into advantages and better performance.

4.4 Matching Stage: SWOT Matrix (Strength-Weakness-Opportunity-Threat) and IE Matrix (Internal-External)

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SWOT analysis is a method for planning a business strategy that is carried out by monitoring the conditions of the business environment (internal-external environment) so that it is expected to determine the strategic decisions that will be chosen to be implemented. SWOT analysis is an instrument that has benefits in conducting strategic analysis (Basya & Silfia, 2020). In a SWOT analysis, basically, it focuses more on the strengths and weaknesses of the company in taking advantage of opportunities and finding solutions to existing threats. According to Robinson, the SWOT framework provides in-depth basic information to improve company quality and policies (Robinson & Richard, 2007). Meanwhile, according to (Rangkuti, 2005), a SWOT analysis is carried out by identifying various factors that are used as a systematic formulation of a strategy for an organization or company. Through this method, the process for making decisions through this method is linked to the development of the mission, objectives, strategies and business policies. In formulating a SWOT analysis, it is carried out by taking advantage of opportunities and strengths and minimizing weaknesses and threats. In creating a SWOT analysis matrix, it begins with collecting data and the process of classifying the pre-analysis based on internal data and external data. Then make a work sheet by drawing a cross line so that it forms four quadrants consisting of strengths, weaknesses, opportunities, and threats.
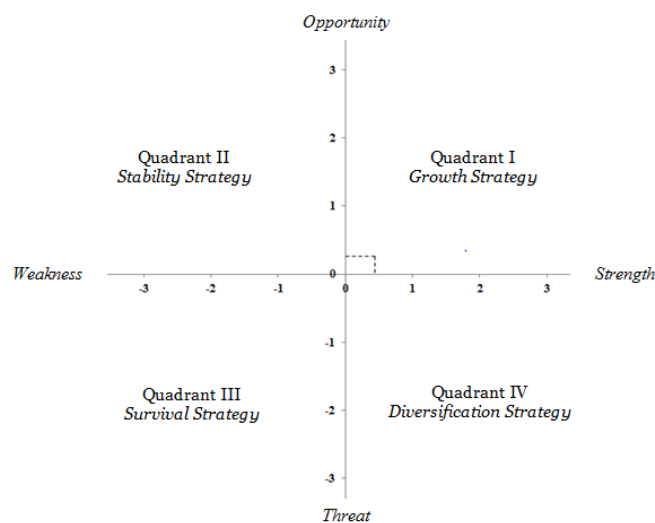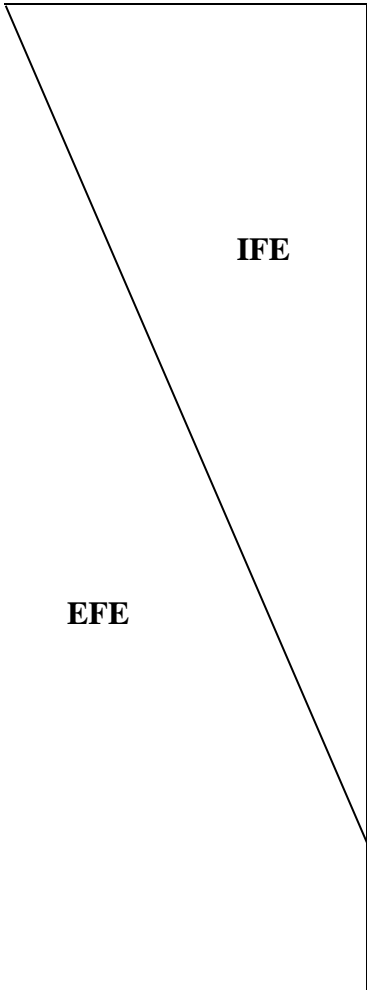
Diagram 1. SWOT analysis of Tangguh SMEs

Figure 1 shows that the Tangguh SMEs assisted by Daarut Tauhid Peduli East Java is located in Quadrant I. Quadrant I shows that it is currently in the most profitable condition, where Tangguh SMES has the opportunity and strength to develop a business. In this condition, the strategy that can be taken is to support an aggressive growth policy (growth oriented strategy) that takes advantage of the opportunities and internal strengths of the company. This also shows that it is possible to continue to carry out activities to enhance growth and development. This means that in the future development of SMES Tangguh can use a growth strategy that is carried out gradually and according to the priority scale. This strategy is supported by the existence of alternative opportunities to

attract wider consumers by producing quality and attractive products to meet customer satisfaction.

The Strength-Weakness-Opportunity-Threat (Strength-Weakness-Opportunity-Threat) matrix is a matching tool used to assist managers in developing four types of strategies, namely SO Strategy (strength-opportunity), WO Strategy (weakness-opportunity), Strategy ST (strength-threat), and WT Strategy (weakness-threat). SO strategy is aimed at taking advantage of external events by using internal forces. The WO strategy is aimed at taking advantage of external events by increasing internal weaknesses. ST strategy is aimed at avoiding the impact of external threats by utilizing internal strengths. The WT strategy is aimed at reducing internal weaknesses and avoiding external threats that will arise (Fred, 2016).

Table 3. SWOT Matrix

IFE / EFE	Strength	Weakness
	1. Tangguh SMEs produces unique product innovations 2. Tangguh SMEs produces products that have long durability 3. Tangguh SMEs are able to produce low production prices but still have quality products 4. Adequate location of Tangguh SMEs to produce and market the product 5. Tangguh SMEs has high morale human resources (HR) 6. Tangguh SMEs has been able to generate short-term capital independently 7. The working principles of SMEs are in accordance with Islamic business	1. Tangguh SMEs has not been able to return its long-term capital independently 2. Tangguh SMEs has not maximized digital sales 3. Tangguh SMEs does not yet have a structured management 4. Tangguh SMEs still produces manual production 5. Tangguh SMES has not conducted market research 6. Tangguh SMEs does not have standardized work for employees, so the quality of its human resources is still low 7. Tangguh SMEs still lacks sales force and direct promotion media to customers
Opportunity 1. The culinary business has a potential market 2. Consumer loyalty to the product	**SO Strategy** 1. Increase production capacity by utilizing teamwork capabilities and improving HR skills in order to be able	**WO Strategy** 1. Improve HR skills to make digital sales **(W2, W6-O3)** 2. Conduct market research to determine

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3. There are still few competitors for similar products 4. Quality raw materials from good suppliers 5. Products can be sold at any time so that business is ensured that it is not seasonal 6. Increase in product sales under certain conditions, such as a celebration 7. Support from local governments in the development of SMEs	to maintain product quality **(S5, S7-O1,O6)** 2. Marketing actively, both online and offline, with the principle of quality products at affordable prices to maintain consumer loyalty and expand market reach **(S4-O1, O2, O4)** 3. Creating a variety of products to meet diverse consumer tastes **(S1, S2-O3, O5)** 4. Build a network with souvenir shop partners to support product development to a wider market **(S5-O7)**	the various desires of consumers **(W5-O1, O3)** 3. Adding human resources to market products directly to customers **(W7-O1, O3, O6)** 4. Determine positioning to form positive perceptions in the minds of the public **(W3, W5-O2)**
Threat 1. Every year there is an increase in the price of raw materials 2. Public perception of the product 3. The emergence of new competitors in the same field 4. Price-sensitive customers choose products that have lower prices 5. The level of public consumption that has decreased in certain situations and conditions 6. Types of food and drinks are increasingly varied 7. Community lifestyle	**ST Strategy** 1. Expanding the promotion strategy in several areas by utilizing digital technology **(S4-T2)** 2. Maintaining product quality by checking every raw material used, production process, to consumers **(S3 -O4)** 3. Increase innovation, both in products and packaging so that it can attract consumers because the products produced are products that can be consumed directly **(S1, S2-T7)**	**WT Strategy** 1. Provide more intensive and consistent HR training and coaching to maximize sales **(W6-T3)** 2. Implement standardization of work and structured operations management so that production is carried out effectively and efficiently **(W3, W6-T4)**

The second matching tool uses an Internal-External (EI) matrix including indicators used to formulate a strategy based on internal and external factors. IE matrix is based on two weighted average scores (weight x rating), namely based on the results of IFE and

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EFE calculations. The IE matrix consists of 9 cells, of which cells I, II, and IV show as growth and construction. Cells III, V, and VII show a defensible strategy is also maintained. Cells VI, VIII, and IX show as reaping and reducing assets (divestment) (Fred, 2016).

Table 4. Internal-External Matrix (IE)

EFE / IFE	Strong 4,00 – 3,00	Medium 2,99 – 2,00	Weak 1,99 – 1,00
Strong 4,00 – 3,00	I IFE = 3,05 EFE = 3,00	II	III
Medium 2,99 – 2,00	IV	V	VI
Weak 1,99 – 1,00	VII	VIII	IX

Table 4. is the result of the IFE and EFE matrix grouping. The value score is used as a determinant of the value of the IE matrix based on this position. It can be formulated that the position of the Tangguh SMEs assisted by Daarut Tauhid Peduli East Java is in cell I where this position indicates that Tangguh SMES is in a position of growth and development strategy Thus the strategies that can be applied are horizontal integration, market penetration, market development, and product development.

4.5 Decision Stage: QSPM (Quantitative Strategic Planning Matrix)

The QSPM calculation is based on the multiplication of weights obtained from the IFE and EFE matrices. The QSPM also determines the relative attractiveness of each of these strategies, so the next step is to determine the attractiveness score (Attractiveness Score / AS) on key factors in Tangguh SMES which is determined by observing each internal factor and the main external factor at a certain time. by considering whether this factor affects the choice of strategy made, so that in determining the range of attractiveness scores that can be used are 1 = no attractiveness, 2 = low attractiveness, 3 = moderate attractiveness, and 4 = high attractiveness. is calculating the Total Attractiveness Score (TAS) by multiplying the weight by the score of attractiveness (AS) in each row. The higher the total attractiveness score, the more attractive the alternative strategy will be. The final step is to calculate the total attractiveness score (TAS). by adding up the total attractiveness scores in each strategy column d from QSPM (Fred, 2016). Higher scores indicate a more attractive strategy bearing in mind that all relevant external and internal factors can influence Tangguh SMEs to make strategic decisions.

Table 5. Total Attractive Score (TAS) Internal Factors

Internal Factors	Alternative Strategies							
		S1		S2		S3		S4
	Weight	AS	TAS	AS	TAS	AS	TAS	AS	TAS
Strength								

ANALYSIS OF STRATEGY FOR TANGGUH SMEs ASSISTED BY DT PEDULI EAST JAVA IN THE PANDEMIC COVID-19

1. Tangguh SMEs produces unique product innovations	0,11	3	0,33	4	0,44	2	0,22	1	0,11
2. Tangguh SMEs produces products that have long durability	0,08	2	0,16	4	0,32	3	0,24	1	0,08
3. Tangguh SMEs are able to produce low production prices but still have quality products	0,08	1	0,08	3	0,24	2	0,16	4	0,32
4. Adequate location of Tangguh SMEs to produce and market the product	0,08	3	0,24	2	0,16	4	0,32	1	0,08
5. Tangguh SMEs has high morale human resources (HR)	0,08	2	0,16	3	0,24	1	0,08	4	0,32
6. Tangguh SMEs has been able to generate short-term capital independently	0,05	4	0,2	2	0,1	3	0,15	1	0,05
7. The working principles of SMEs are in accordance with Islamic business	0,11	-		-		-		-	
Weakness									
1. Tangguh SMEs has not been able to return its long-term capital independently	0,03	3	0,09	4	0,12	2	0,06	1	0,03
2. Tangguh SMEs has not maximized digital sales	0,03	2	0,06	3	0,09	4	0,12	1	0,03
3. Tangguh SMEs does not yet have a structured management	0,05	3	0,15	2	0,1	1	0,05	4	0,2
4. Tangguh SMEs still produces manual production	0,08	3	0,24	2	0,16	1	0,08	4	0,32
5. Tangguh SMEs has not conducted market research	0,05	3	0,15	2	0,1	4	0,2	1	0,05
6. Tangguh SMEs does not have standardized work for employees, so the quality of its human resources is still low	0,08	1	0,08	3	0,24	2	0,16	4	0,32

	Bobot	AS	TAS	AS	TAS	AS	TAS	AS	TAS
7. Tangguh SMEs still lacks sales force and direct promotion media to customers	0,11	2	0,22	3	0,33	4	0,44	1	0,11
Total	**1,00**	**32**	**2,16**	**37**	**2,64**	**33**	**2,28**	**28**	**2,02**

Table 6. Total Attractive Score (TAS) External Factors

External Factors		Alternative Strategies							
		S1		S2		S3		S4	
	Bobot	AS	TAS	AS	TAS	AS	TAS	AS	TAS
Opportunity									
1. The culinary business has a potential market	0,08	3	0,24	2	0,16	4	0,32	1	0,08
2. Consumer loyalty to the product	0,05	4		3		2		1	
3. There are still few competitors for similar products	0,08	2	0,16	4	0,32	1	0,8	3	0,24
4. Quality raw materials from good suppliers	0,08	2	0,16	3	0,24	1	0,08	4	0,32
5. Products can be sold at any time so that business is ensured that it is not seasonal	0,10	4	0,4	2	0,2	3	0,3	1	0,1
6. Increase in product sales under certain conditions, such as a celebration	0,10	4	0,4	2	0,2	3	0,3	1	0,1
7. Support from local governments in the development of SMEs	0,03	1	0,03	2	0,06	4	0,12	3	0,09
Threat									
1. Every year there is an increase in the price of raw materials	0,08	4	0,32	3	0,24	1	0,08	2	0,16
2. Public perception of the product	0,08	1	0,08	2	0,16	4	0,32	3	0,24
3. The emergence of new competitors in the same field	0,05	1	0,05	3	0,15	4	0,2	2	0,1
4. Price-sensitive customers choose products that have lower prices	0,08	2	0,16	3	0,24	1	0,08	4	0,32
5. The level of public consumption that has decreased in certain	0,08	2	0,16	3	0,24	4	0,32	1	0,08

situations and conditions								
6. Types of food and drinks are increasingly varied	0,08	3	0,24	4	0,32	1	0,08	2	0,16
7. Community lifestyle	0,05	3	0,15	4	0,2	2	0,1	1	0,05
Total	**1,00**	**36**	**2,55**	**40**	**2,73**	**35**	**3,1**	**29**	**2,04**

Table 7. QSPM Results for Total Internal and External Factors

	ALTERNATIVE STRATEGIES			
	Market penetration (S1)	**Product Development (S2)**	**Market Development (S3)**	**Horizontal Integration (S4)**
QSPM Internal Factors	2,16	2,64	2,28	2,02
QSPM External Factors	2,55	2,73	3,1	2,04
TOTAL	4,71	5,37	5,38	4,06

The QSPM produces a number of strategies obtained from the results of the IFE and EFE matrix analysis inputs as well as the matching of the SWOT and IE analyzes. Based on Table 7, it shows that of the four alternative strategies from the largest, namely the market development strategy with an attraction value of 5.38, which means that Tangguh SMEs need to expand the market by introducing and marketing products, both offline and digital to new customers geographically, including another market. Then the product development strategy with a TAS value of 5.37 means that Tangguh SMEs need to make improvements, such as increasing human resource skills and improving production operations with technology in order to produce an efficient and effective process. Furthermore, a market penetration strategy of 4.71 means that Tangguh SMEs need to determine market position and conduct market research in order to create diverse products to meet consumer tastes. The horizontal integration strategy is 4.06, which means that Tangguh SMEs can take advantage of partners to support increased sales.

Therefore, the QSPM results show that the largest total attractiveness (TAS) and approaching the same value are the market development strategy and product development strategy. Tangguh SMEs should use both of these strategies and can also combine them with a market penetration strategy.

A market development strategy is a growth strategy aimed at selling products that have been created in new markets (Wardani & Solikhah, 2010). The strategy that Tangguh SMEs needs to do to develop the market is by actively marketing and promoting, both online and offline with the principle of quality products at affordable prices to maintain consumer loyalty and expand market reach, improve HR skills to make digital sales, and build network with gift shop partners to support product development to a wider market.

Meanwhile, the product development strategy is a strategy carried out with the aim of introducing products that have been created in an established market (Wardani & Solikhah, 2019). In developing strategic products that need to be implemented by Tangguh SMEs, namely by conducting market research to determine the desires of various consumers, markets, and competitors so that they can produce new products that have advantages that can be done through surveys. In addition, Tangguh SMEs need to increase innovation both in products and in packaging so that they can attract consumers because the products produced are products that can be directly consumed through exchange of ideas among members in the Kelompok Usaha Bersama (KuBe). This is because product development aims to serve existing markets by increasing sales and finding better new products.

5. CONCLUSION

The results of the analysis and discussion of research that has been carried out on the Tangguh SMEs assisted by Daarut Tauhid Peduli East Java can be seen that the main strength lies in the unique product innovation and is located in a strategic location for production and marketing. Based on the results of the IFE matrix, it shows that the strength-weighted average score is 1.89, while the weakness factors have a weighted average score of 1.16 which means that Tangguh SMEs has higher strengths than weaknesses in increasing competitiveness. against the market. Then, the results of the EFE matrix show that the opportunity-weighted average score is 1.64 and the threat factors have a weighted average score of 1.36 which indicates that Tangguh SMEs have a great opportunity in determining market competition strategies compared to threats. that will be faced. Furthermore, the results obtained from the matching stage through the SWOT matrix and IE matrix indicate that Tangguh SMEs are in a growth strategy position and are building with applicable strategies, namely horizontal integration, market penetration, market development, and product development. The results of the decision from the QSPM analysis show that the right strategy to be implemented is to carry out a market development strategy which is then followed by a product development strategy. The researchers suggest that strategic steps should be taken by Tangguh SMEs, namely by expanding the market by introducing and marketing products, both offline and online to new geographic consumers including other markets and can use partners as support to increase sales. Then, it is necessary to make improvements that can be carried out by holding activities to improve HR skills and improve production operations to produce various product ideas and take advantage of the role of technology in order to produce an effective and efficient process.

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