

## **ABSTRACT**

*Bu Ani Craft SME is a handicraft SME that produces two main types of products : bags and vases. This SME has four employees, all of them are operators. For more than 6 years, Bu Ani Craft's SME has not experienced significant growth. This happens because the owner acts as "One Man Show" so that all work outside of production is done by the owner himself. It often happens that consumer demand is not fulfilled, because the owner cannot estimate the production capacity and market demand.*

*Based in these problems, a strategic change is needed to overcome them. To find out the appropriate strategy, so SWOT analysis was needed to analyze the condition of SME. In a SWOT analysis, it is necessary to identify internal and external factors of SME, then weighting each internal and external factor. After the SWOT analysis is carried out, a score is generated for each strategic factor. To determine the selected SWOT strategy, we use the internal-external matrix and the TOWS matrix. So the results is strategy that is in accordance with the conditions of SME, that is the WO strategy (weakness-opportunity). The strategy proposes an organizational design plan, which refers to a new organizational structure for SME,.*

*The result of this research is a new organizational structure design that has been adapted to the strategies and needs of SMEs. In the new organizational structure that has been designed, it is found that the addition of new divisions that are needed by Bu Ani Craft's SME.*

*Keywords: Organization Design, SWOT Strategy, IE Matrix, SWOT Matrix, Organization Structure*