

CHAPTER I

INTRODUCTION

1.1 Object Research Overview

1.1.1 Company Overview

CV. Aneka Sumber Rezeki is a company engaged in the food and beverage industry sector, established in 1997 as part of the Micro Enterprises category. In 2022, the company officially transformed into a Commanditaire Vennootschap (CV), demonstrating a commitment to sustainable growth. The company's main activities include the production and sale of various types of snacks and chips made from cassava, purple sweet potato, banana, and taro. These products are processed in two production facilities located in Setiamulya village, Bekasi, and Kalapanunggal village, Sukabumi, to meet the growing market demand.

To ensure the availability of raw materials, CV Aneka Sumber Rezeki operates on 104 hectares of leased farmland. The use of this land allows the company to control the quality of raw materials and reduce production costs, supporting operational efficiency and innovation in the production process. The company also diversifies its products and optimizes its production chain to maintain quality and competitive prices in the market.

CV Aneka Sumber Rezeki plays an active role in local economic empowerment by providing employment for more than 120 temporary and 10 permanent employees. These employees are involved in various functions, including production, procurement, management and distribution. Production facilities located in rural areas also support economic growth of the surrounding communities. The financial aspects of the company are managed internally by the owners, ensuring efficient management.

The company implements two business models: business-to-business (B2B) and business-to-customer (B2C), serving various customer segments, such as frozen food stores, snack shops, traditional markets, and local communities. Although marketing methods are still done manually, CV Aneka Sumber Rezeki

continues to study opportunities to adopt more modern marketing and distribution methods to expand market reach.

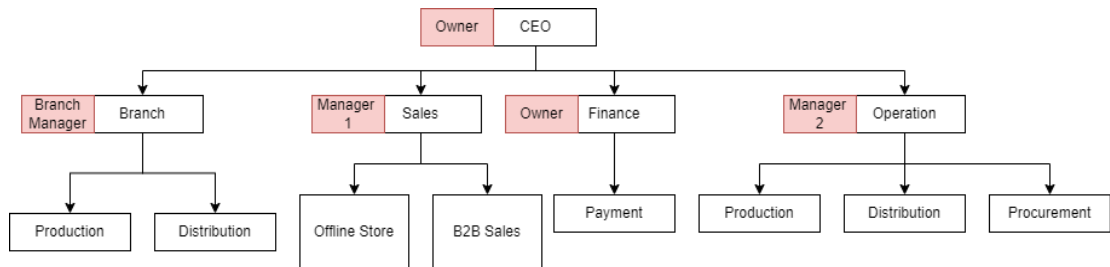


Figure 1.1 Company Structure

Source: CV. Aneka Sumber Rezeki (2025)

1.1.2 Product of CV. Aneka Sumber Rezeki



Figure 1.2 Example Products of CV. Aneka Sumber Rezeki

Source: CV. Aneka Sumber Rezeki (2025)

1.1.3 Company Information

The main outlet of CV. Aneka Sumber Rezeki is located at Jl. Syarif Hidayatullah, Setia Mulya, Taruma Jaya District, Bekasi Regency, West Java. Additionally, the company operates two production facilities: one at Jl. Babakan Sirna, RT 09 RW 02, Kadununggal Village, Kalapa Nunggal, Sukabumi, West Java, and another at Jl. Syarif Hidayatullah, Setia Mulya, Taruma Jaya District, Bekasi Regency, West Java. For ease of communication, the company can be contacted via telephone or fax on 085716690949.

1.2 Research Background

Micro, Small, and Medium Enterprises (MSMEs) are one of the pillars of Indonesia's economy, playing a vital role in job creation and equitable distribution of social welfare. As stated by Minister of Finance Sri Mulyani Indrawati, MSMEs absorb around 97% of the national workforce and contribute 61% to the Gross Domestic Product (GDP). This impact, especially in the food and beverage sector, highlights the importance of MSMEs in maintaining economic stability and supporting social welfare Simbolon (2024).

However, MSMEs' significant role in job absorption and their 61% GDP contribution, amounting to IDR 9,580 trillion, MSMEs still face challenges in expanding their export capacity, which is currently limited to between 20% and 40%. Research shows that many micro businesses struggle to grow due to limitations in managerial skills, technology adoption, and access to financing for new investments, which restricts their competitiveness and ability to manage trade costs effectively. Furthermore, gaps in digital infrastructure, literacy, and ecosystem connectivity limit MSMEs' access to critical communication networks and affordable digital tools. To overcome these obstacles, coordinated support from both the government and the private sector is needed to increase investment in telecommunications infrastructure, enhance vocational education, and implement policies that facilitate MSMEs' access to digital devices and simplify business processes. These actions will positively impact MSMEs, particularly in the food and beverage sector, which significantly contributes to Indonesia's GDP (Rasjid, 2022).

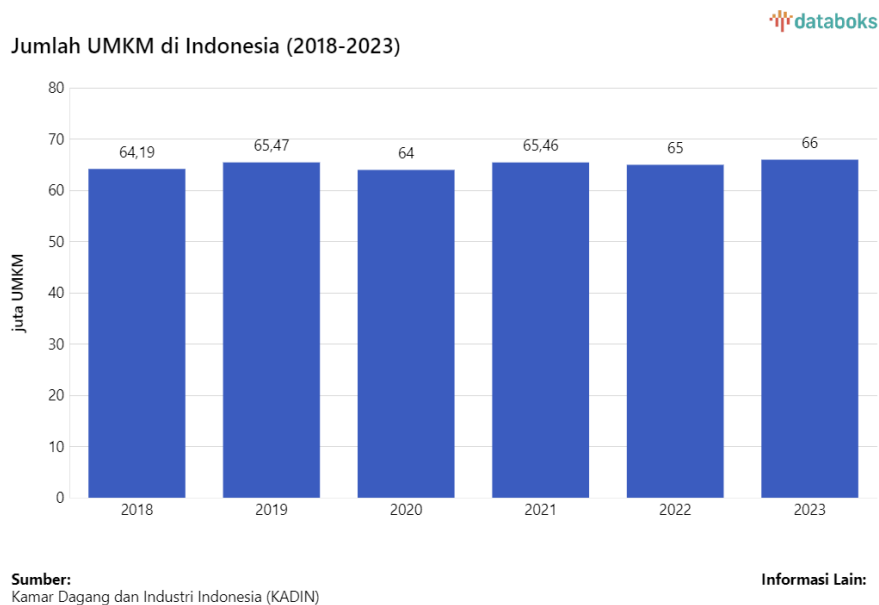
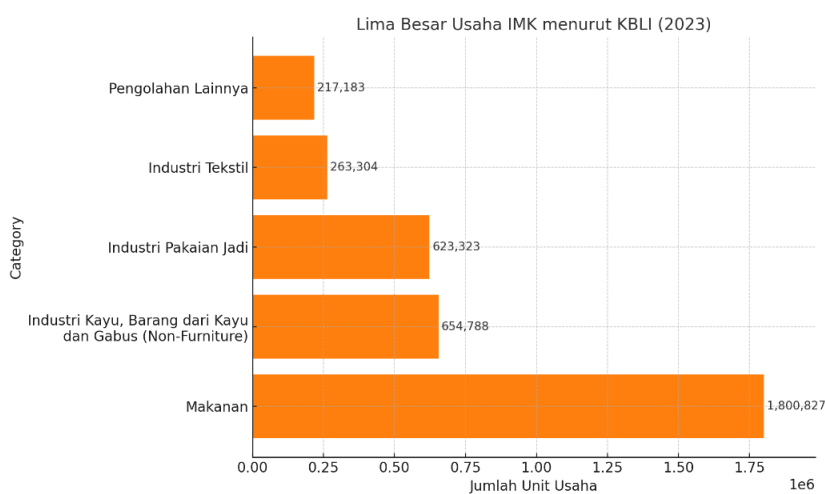


Figure 1.3 Number of Micro, Small Medium Enterprises (MSMEs) in Indonesia (2023)

Source: *Kamar Dagang dan Industri Indonesia (KADIN)*

Based on data from the *Kamar Dagang dan Industri Indonesia (KADIN)* shown in Figure 1.3, by 2023, the number of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia will reach approximately 66 million units, shows a growth of 1.52% compared to the previous year. MSMEs, which represent around 99% of the total business units across the country, contribute significantly to Indonesia's Gross Domestic Product (GDP), estimated at Rp9,580 trillion, and absorb 117 million workers or 97% of the total workforce in Indonesia. Amidst various global and domestic economic challenges, MSMEs continue to show remarkable resilience, making them a vital sector in maintaining economic and social stability. Strengthening this sector is a top priority for the government. This includes increasing access to digital technology, providing financial support and training appropriate to the scale of the business both micro, small, and medium enterprises- as well as business model innovation to ensure the sustainability and competitiveness of MSMEs in the future (Ahdiat, 2024).

The data shows that MSMEs continue to grow, which will lead to increased competition. To better understand the structure of Indonesia’s MSMEs, we can look closely at the Micro and Small Industries (MSEs), which form a substantial portion of the MSME sector. These industries, categorized as predominantly labor-intensive, are particularly crucial in fostering local economic growth and generating employment. The chart below in Figure 1.4 illustrates the top five MSE sectors by the number of business units, shedding light on the sectors driving employment and economic activity at the grassroots level.



Sumber: Badan Pusat Statistik (BPS), 2023

Figure 1.4 The Top Five SMEs Businesses According to KBLI

Sources: *Badan Pusat Statistik (BPS) (2023)*

Micro and Small Industries (MSEs) are businesses that are mostly labor-intensive and play an important role in creating jobs and driving economic growth at the regional level. In most countries are growing rapidly, including in Indonesia Pasaribu et al. (2023). With this strength, MSEs have great potential to develop and continue to grow amidst economic dynamics. In 2023, there will be 4.5 million MSE business units, the majority of which are dominated by the food industry, which reaches 1.8 million business units or around 40%, followed by the wood industry with a contribution of 14.5%, the apparel industry by 13.8%, and the rest are spread across various other sectors. MSEs have also succeeded in absorbing

9.84 million workers, with most of the workforce being elementary school graduates or equivalent Prawoto et al. (2024). The increasing number of these micro and small industries contributes to increasingly fierce competition, especially in the food sector, because many of these MSEs utilize digital platforms to run their business models. The presence of MSEs in the food sector not only enriches the variety of products offered, but also encourages innovation in terms of taste, quality, and packaging. This increasingly tight competition requires MSEs to continue to improve the quality and competitiveness of their products through innovation, to maintain their position in the market.

This also shows that MSEs play an important role in providing employment opportunities for people with low education, thus providing access to employment for groups who may have difficulty finding work in other sectors. However, the low level of education of the workforce emphasizes the importance of training and guidance, both technical and managerial, to improve the skills, productivity, and competitiveness of MSE workers, so that they can make a greater contribution to the economy (Wepo, 2023).

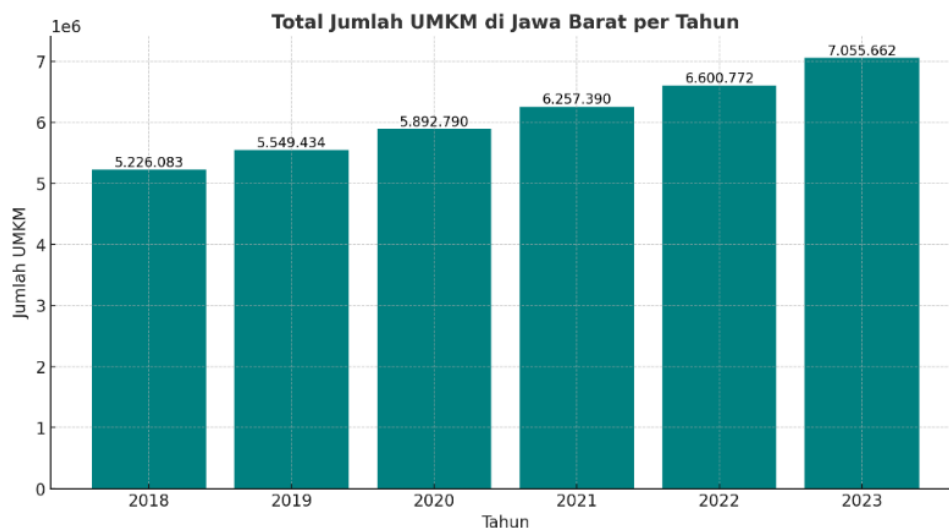


Figure 1.5 Development of MSMEs in West Java Province

Source: *Opendata.jabarprov (2023)*

Based on data provided by Dinas Koperasi dan Usaha Kecil as pictured in Figure 1.5, the growth of MSMEs in West Java from 2018 to 2023 illustrates this expansion trend. During this period, the number of MSMEs increased consistently, increasing from 5,226,083 in 2018 to 7,055,662 in 2023.

A significant increase occurred between 2020 and 2021, when the number of MSMEs rose from 5,892,790 to 6,257,390, perhaps reflecting the economic adjustments made during the COVID-19 pandemic as many individuals turned to entrepreneurship. This ongoing growth through 2023 further highlights the resilience of MSMEs, reinforcing their contribution to economic stability in regions like West Java, which mirrors the broader national impact of these enterprises across various sectors.

The rapid growth of MSMEs in West Java has led to increased competition among MSMEs. With such many MSMEs in one region, competition, especially in similar business fields, becomes more intensive. This condition causes some businesses to be unable to survive the competition and have difficulties in managing their business effectively. To survive, MSMEs need to implement proper strategic management, including wise decision-making, effective implementation of business strategies, and periodic evaluation of the plans that have been implemented to face risks and achieve optimal business goals.

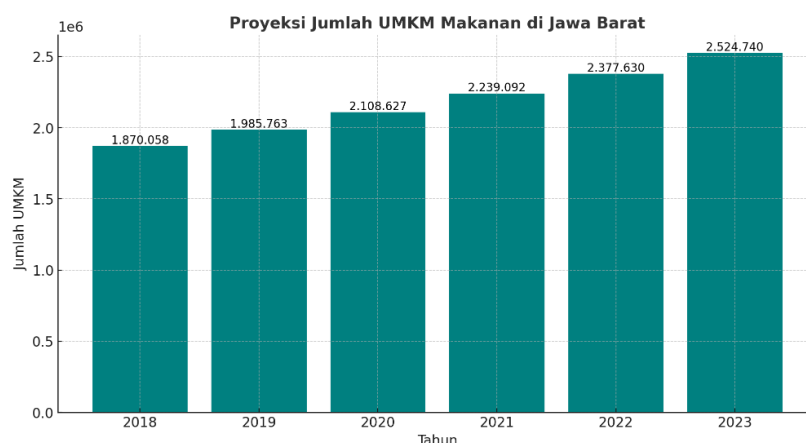


Figure 1.6 Development of Food MSMEs in West Java

Source: Opendata.jabarprov (2023)

The steady rise in the number of MSMEs reflects the resilience and determination of business owners to sustain their business amid intensifying competition. Adaptive strategies that can help them stay competitive and keep their businesses growing. By embracing innovative business approaches, MSMEs can unlock new opportunities, enabling them to hold their ground against competitors and achieve sustainable growth for the future.

Increasing market competition in the food industry has an impact on CV. Aneka Sumber Rezeki which is in the food sector business. A concrete example of this high competitiveness can be seen in the food sector in West Java. This growth brought increased competition, more and more businesses entered the market that offered similar products. To make it more attractive to customers, the organization needs to adapt towards change, because the external factors are dynamic. In a dynamic environment like this, keeping up with market trends and continuously improving operational efficiency and creativity is important for this business to face the challenges of an increasingly competitive market.

With the increasing market competition and the environmental factors that caused a decrease in turnover from CV. Aneka Sumber Rezeki, to survive, in an increasingly tight market, business actors are required to continue to be able to formulate alternative strategies that are relevant to the current situation.

Based on the results of an interview with the owner of CV Aneka Sumber Rezeki, Agus Suyitno, the company does not have sales records or turnover. However, the owner estimates its turnover between 800 million to 1.5 billion rupiah per month, the owner said there was a situation that caused sales to increase significantly during the month of Ramadan and Eid al-Fitr and would generate 2 to 3 billion in that month.

In 2021, despite facing economic challenges due to the COVID-19 pandemic, the company managed to record its best results with a turnover of 1.5 to 2 billion rupiah in a month because the products that were viral at that time made the company able to survive and grow rapidly during the pandemic situation. Then, conditions changed when the war between Russia and Ukraine occurred in 2022 which caused the price of several global commodities to increase, and reduced

people's purchasing power. The food sector is one of the most affected by the increase in palm oil prices, due to the market mechanism with increasing demand and slow supply due to war factors in Ukraine and Russia causing palm oil prices to increase drastically. Especially in the sector engaged in by CV. Aneka Sumber Rezeki, namely snacks or those included in the secondary food category, are experiencing various challenges, production costs continue to increase and people's purchasing power decreases because they prioritize purchasing primary products (Azanella & Hardiyanto, 2022). Despite these challenges, the company still earns a turnover of around 1 billion rupiah per month.

In 2023, economic conditions remain challenging for MSMEs, including in the food and snack sector. Although some aspects of the global economy are starting to stabilize, the impact of high inflation in previous years is still being felt, especially in terms of consumer purchasing power which has not fully recovered, but owners can estimate turnover to range from 800 million to 1.5 billion rupiah per month.

In 2024, from January to September, based on the company's records, the company only recorded a turnover of 5.6 billion rupiah. The company's turnover record was caused by deflation that occurred for five months in 2024, from January at 0.03%, to 0.12% in September, accompanied by increasing education costs and decreasing family consumption, which had a negative impact on the food, textile, and property sectors. The deflation was influenced by domestic factors, including inappropriate government policies, increasing subsidized fuel prices, and weakening industrial sectors, which overall reduced people's purchasing power (Septia & Meidiana, 2024).

Table 1.1 Table Approximate Turnover and Percentage Change

| Year | Turnover (Approx.) | Percentage Change |
|------|--|--------------------------|
| 2021 | 1.5 - 2 billion/month (approx. 18 - 24 billion/year) | - |
| 2022 | 1 billion/month (approx. 12 billion/year) | -33% to -50% |
| 2023 | 0.8 - 1.5 billion (approx. 9.6 - 18 billion/year) | -20% to +50% (from 2022) |

| | | |
|------|------------------------------|--------------------------------|
| 2024 | 5.6 billion from Jan to Sept | -21.88% to -58.33% (from 2023) |
|------|------------------------------|--------------------------------|

Source: Data processing based on interview results (2024)

From Table 1.1, the company owner expects the monthly turnover to be between 1.5 to 2 billion rupiah and the annual turnover to be between 18 to 24 billion rupiah. In 2022, the owner noticed that turnover reduced dramatically, the estimated monthly sales was about 1 billion rupiah or 12 billion rupiah per year, down from 33% to 50% from the previous year.

The company's turnover in 2023 was expected to be between 0.8 to 1.5 billion rupiah per month and the annual turnover estimate was between 9.6 to 18 billion rupiah. This variation is -20% to +50% compared to 2022.

Furthermore, in 2024, from January to September, the company was only able to record a total turnover of 5.6 billion rupiah, a very significant decrease compared to the annual income in 2023, this record mark the lowest company sales performance in a year.

Each year, there is a special period, namely during Ramadan until the Idul Fitri event, when the company experiences a significant increase in turnover. During this period, monthly turnover can reach 2 to 3 billion rupiah, much higher than in other months. This increase is driven by the high demand for products during Ramadan and Idul Fitri, which is a primary consumption period for consumers. This temporary boost contributes positively to the annual revenue, although it is not sufficient to fully offset the declining turnover trend seen in recent years.

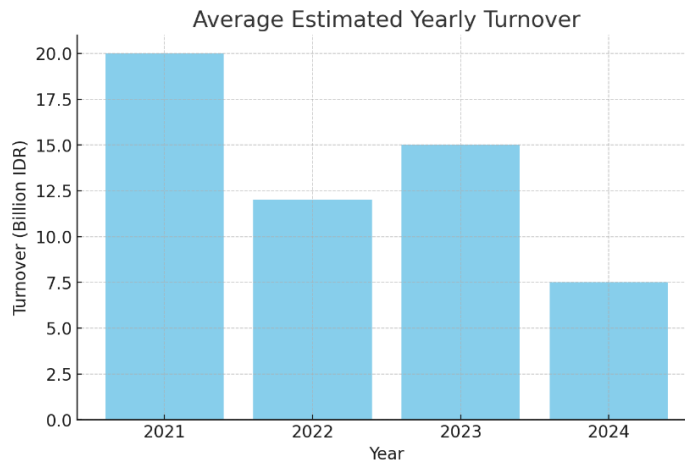


Figure 1.7 Estimated Yearly Turnover of CV. Aneka Sumber Rezeki

Source: Data processing based on interview results (2024)

Based on the interview results as pictured in Figure 1.7, it can be concluded that the company has experienced a significant decline in sales, primarily due to a drop in consumer purchasing power as people prioritize basic needs. This situation has considerably impacted on the company's performance, given its focus on secondary food products that are often considered non-essential. Furthermore, the lack of offline marketing efforts and absence of a digital marketing strategy have limited the company's ability to reach new audiences and retain existing customers.

The increased number of new entrants in the snack food sector utilizing digital platforms and more effective marketing tactics has intensified competition. These competitors have quickly generated profits by appealing to established consumer bases through digital channels, making it challenging for traditional companies like CV. Aneka Sumber Rezeki to compete. This competitive landscape, coupled with shifting consumer priorities, has led to a substantial decline in the company's sales, underscoring the need for a swift and strategic response to adapt to the evolving market.

With the significant role of MSMEs in Indonesia's economy, the government recognizes the importance of maintaining the existence of this sector. Although MSMEs have great potential in supporting the economy, effective management strategies are crucial for developing their businesses. Unlike large

companies with more complex management strategies, MSMEs typically apply fewer formal strategies due to limited resources and smaller operational scales.

Amid the rapid and unpredictable changes in the business environment, MSMEs must adapt to survive and maintain their competitive advantage. This advantage can only be sustained if organizations consistently adapt to external changes and optimally utilize available factors. Therefore, the formulation, implementation, and evaluation of effective strategies are essential in supporting the sustainability and growth of MSMEs (Ariyanti et al., 2021).

1.3 Problem Formulation

CV Aneka Sumber Rezeki faces a major problem in the form of a significant decline in income, supported by internal factors such as the relatively low level of education of the workforce, the absence of an effective marketing strategy, and suboptimal management.

On the external side, STEEP analysis shows that macroeconomic instability has led to a decline in people's purchasing power, resulting in a decrease in product demand. In addition, technological advancements are also a challenge for the company, especially with the emergence of competitors that utilize digital platforms and more effective marketing strategies. On a micro level, the food industry is experiencing an increase in the number of new competitors that have adopted digital technology, putting more pressure on companies that have not yet undertaken digital transformation.

With internal conditions that still face limitations in human resources, marketing strategies, and management, as well as increasing external pressures, strategy reformulation is an urgency for CV. Aneka Sumber Rezeki. If this challenge is not handled properly, it is feared that it will further impact the company's revenue decline. Therefore, the step that needs to be taken is to develop a new strategy that is more adaptive to market changes and industrial competition.

Based on the background described above, the research problem can be formulated as follows:

1. What is the situation or environment faced by the company using the IFE & EFE analysis approach?
2. Utilizing IE Matrix and QSPM to formulate an alternative strategy and determine the right strategy?

1.4 Research Objectives

The research objectives serve as a primary guide in finding solutions to the formulated problems. Based on the background and problem formulation described, this study aims to identify internal and external factors, formulate and determine strategies as appropriate development strategies, and provide clear directions to achieve the desired results in accordance with the focus of the research.

1. Assess the internal and external factors affecting the company's environment using the IFE & EFE analysis approaches.
2. Formulate an alternative strategy focused on the company's needs, using IE Matrix and QSPM analysis.

1.5 Research Benefits

1.5.1 Theoretical Benefits

1. **Academics Benefit:** This study contributes to the body of knowledge on strategic management for MSMEs, particularly within the food and beverage sector. By examining strategic formulation tools such as IFE, EFE, IE Matrix, and QSPM, the research provides insights that could benefit academics interested in MSME competitiveness.
2. **Future Research:** This research lays a foundation for further studies by identifying strategic challenges and opportunities for MSMEs in the competitive landscape of Indonesia's food sector. Future research can expand on these findings by exploring digital marketing impacts or deeper industry-specific strategies for MSMEs.

1.5.2 Practical Benefits

The findings of this study will help CV. Aneka Sumber Rezeki in evaluating its current competitive position and formulating an alternatives strategy to increase market share and resilience. By utilizing insights from internal and external analysis (IFE, EFE), as well as strategy formulation tools such as the IE Matrix and QSPM, the company can find a strategy that suits the company's needs.

1.6 The Systematics of Mini-Thesis Writing

The section provides an overview of how the mini thesis will be organized. The mini-thesis writing is systematically arranged into Chapters 1 through 5, with the structure outlined as follows:

a. CHAPTER 1: INTRODUCTION

This chapter provides a general, precise, and concise explanation of the research's contents. In this chapter, various aspects are covered including an overview of the research object, the background of the research, problem formulation, research objectives, research benefits, and the structure of the mini-thesis writing.

b. CHAPTER 2: LITERATURE REVIEW

This chapter describes the theoretical foundation from general to specific, covering the fundamental research with previous research and continuing with a research framework that concludes with a research hypothesis.

c. CHAPTER 3: RESEARCH METHODOLOGY

This chapter, the focus is on exploring the approaches, methods, and techniques employed to collect and analyze data that can effectively address the research problems at hand.

d. CHAPTER 4: RESULTS AND DISCUSSION

This chapter presents a comprehensive and structured account of the research, including the discussion of findings that align with the formulated

problem and research objectives. This chapter contains research findings, as well as discussions and analyses.

e. CHAPTER 5: CONCLUSION

This chapter presents the overall conclusions of the research, providing answers to the research problems and offering suggestions regarding the potential benefits of the research.