

Analysis of IFAS and EFAS as Strategic Management for the Development of Kemenkan Banana Chips UMKM Bekasi

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Article Information	ABSTRACT
Article History Received : October 31, 2024 Revised : December 02, 2024 Published : January 04, 2025	One of the potential industrial sectors is agro-industry. Local agro-industry can enhance the economy of a region by utilizing local resources and local labor. This research aims to identify and formulate strategies for the economic empowerment of small-scale banana chip industries (UMKM Kemekan Indonesia) in Cibarusah District, Bekasi Regency. The research employs qualitative methods, utilizing the Internal Factor Analysis Summary (IFAS) Matrix, External Factor Analysis Summary (EFAS) Matrix, and SWOT analysis to design an appropriate business strategy. Data collection was conducted through direct observation and interviews. The analysis reveals that the strengths of UMKM Kemekan lie in maintaining the quality of raw materials and sustaining market demand, while the opportunities include broader marketing reach through digital technology and social media. However, challenges such as competitive pricing and market expansion persist. Strategies proposed include improving product quality, offering competitive pricing, and leveraging digital platforms to introduce products to both local and foreign markets. These strategies not only aim to enhance product marketing but also contribute to the sustainability of the agro-industry and improve the welfare of local banana farmers.
Keywords: <i>Agro-industry</i> <i>UMKM Kemekan</i> <i>IFAS</i>	

INTRODUCTION

The agro-industry sector undeniably plays a crucial role in regional development. Agro-industry refers to the processing of agricultural products, integrating agricultural practices with industrial processes (Naton et al., 2020). The rapid development of agro-industry is reflected in its ability to absorb labor, increase income, and motivate the revival of other industries. In the process, agro-industry involves agribusiness, which encompasses various aspects ranging from the production process of agricultural products to their marketing, as well as other activities that support agricultural endeavors (Rahmayanti and Howara, 2019). Agro-industry activities can contribute to the national economy through Small and Medium Enterprises (SMEs), as evidenced during the economic crisis in Indonesia. SMEs became a savior of the national economy because they were able to adapt to market changes and absorb labor, thereby reducing unemployment and poverty levels (Darwanto, 2011).

The agricultural product most commonly used as a raw material for production is bananas. Bananas are rich in minerals such as potassium, magnesium, iron, phosphorus, and calcium, and they also contain vitamins B, B6, and C, as well as serotonin, which acts as a neurotransmitter for the smooth functioning of the brain (Prabawati, 2008). Despite their high nutrient content, bananas are classified as climacteric fruits, which means they have a short shelf life. Therefore, to prevent

spoilage, processing is necessary to extend the shelf life of bananas. One alternative to address this issue is to process bananas into banana chips. In addition to increasing shelf life, the processing of banana chips can enhance the added value of the product and expand market reach compared to fresh bananas.

Banana processing is most commonly known in the form of chips, not only for its taste but also for its ease of production. This venture also serves as an alternative solution to reduce post-harvest losses (Nadjal and Halimah, 2021). One of the UMKM producing processed banana products is UMKM Kemekan Indonesia. UMKM Kemekan Indonesia has been involved in banana chip production since 2019 and is located at Perum Mutiara Bekasi Jaya Blok L14, No. 33 RT.006 RW.009, Cibusah District, Bekasi Regency. UMKM Kemekan typically sells its products through consignment to local shops. Currently, the UMKM Kemekan is facing a problem of declining sales revenue, while the farmers supplying the raw materials continue to increase, necessitating specific strategies to expand its product market reach, considering the numerous competitors in the banana chip production sector, even though banana chips are a popular snack enjoyed by all demographics. Therefore, appropriate analytical strategies are needed to address these challenges and opportunities.

Determining the strategies for SMEs can utilize the Internal Factor Analysis Summary (IFAS) Matrix, the External Factor Analysis Summary (EFAS) Matrix, and SWOT Analysis (Mulyana, 2018). IFAS is an analytical method that depicts the internal conditions of the company, allowing for the identification of strengths and weaknesses possessed by the company, while EFAS is an analytical method that identifies the external conditions of the company to determine the opportunities and threats faced (Mutiara, 2021). According to Mukhlisin and Pasaribu (2020), SWOT analysis is a qualitative descriptive analysis that encompasses several strategic factors: strengths, weaknesses, opportunities, and threats, aiming to maximize strengths and opportunities while minimizing weaknesses and threats. The objective of this research is to design an appropriate business strategy for Kemenkan Bekasi and to analyze the company's position using SWOT analysis and the IFAS-EFAS matrix, so that MSMEs in the food processing sector can increase product sales and have a wide market network both nationally and internationally.

RESEARCH METHODS

This research employs a descriptive qualitative and case study approach, which is a method that utilizes open interviews to examine and understand the attitudes, perspectives, feelings, and behaviors of individuals or groups. The qualitative research method is based on positivist philosophy to study the conditions of natural objects (as opposed to experiments), with the researcher acting as the primary instrument (Sugiyono, 2010). The data collection methods used in this study are observation, interviews, and documentation. The object of study and research in this investigation is the determination of strategies for developing the banana chip agro-industry at UMKM Kemekan, located in Bekasi Regency. Primary data consists of in-depth interviews conducted through two-way communication to obtain data from respondents. This includes direct question-and-answer sessions, as well as structured or unstructured questions related to the strengths and weaknesses of the Kemekan, as well as the opportunities and threats they face during their operations.

The collected data will undergo weighting and validation by the Kemekan UMKM. The results of the weighting of internal and external factors will be compared to identify the appropriate strategies for developing the Kemekan in Bekasi. The data analysis methods used are the Internal Factor Analysis Summary (IFAS) and the External Factor Analysis Summary (EFAS). The first step is to determine the internal and external factors. Internal factors are those that originate from within the industry environment, consisting of the strengths and weaknesses of UMKM Kemekan, while external factors are those that come from outside the industry environment, consisting of opportunities and threats. The determination of the ratings is based on discussions with the company owner. The next step is weighting; at the end, the weights and scores of each element are

summed up. Strengths are summed with weaknesses, while opportunities are summed with threats (Saragih, 2014). The steps taken in establishing these matrices (Rangkuti, 2013) can be seen in Figure 1.

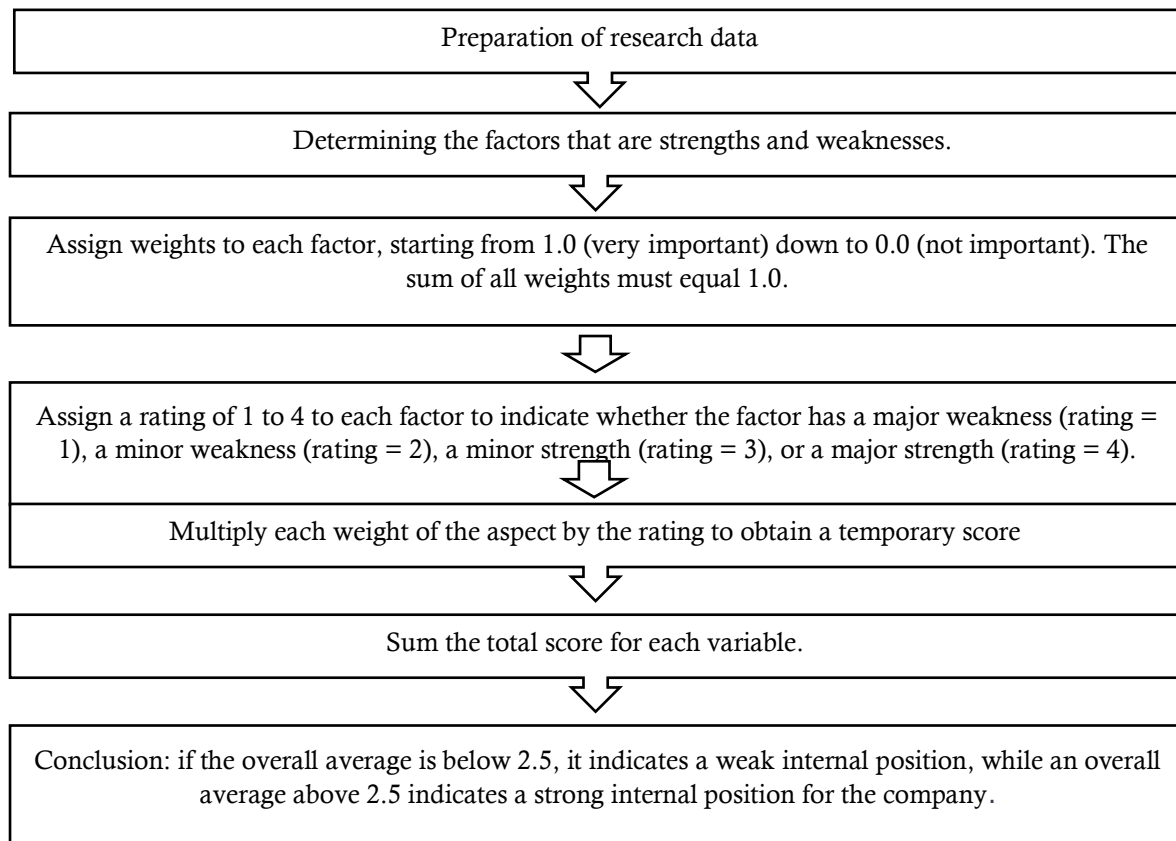


Figure 1. Flowchart : Stages of matrix analysis

The internal-external matrix is developed based on the General Electric (GE) Model. The data obtained is then organized into a table where the horizontal axis of the IE matrix represents the total IFAS score, while the vertical axis represents the EFAS score. According to the criteria, if the horizontal axis score falls between 1.00 and 1.99, it indicates a weak internal position for the company, while a score between 2.00 and 2.99 indicates an average position. Scores ranging from 3.00 to 4.00 indicate a strong internal position for the company. Similarly, the vertical axis reflects the external influences (Rangkuti, 2015).

RESULTS AND DISCUSSION

The analysis of the internal matrix involves identifying strengths and weaknesses that can be examined through various aspects, including marketing, production, management, human resources, and finance (Sastrawan, 2016). Several internal factors have been identified as strengths of the banana chip agro-industry at UMKM Kemekan, namely: 1) Effective management of raw material inventory, 2) Availability of business capital, 3) Access to labor for peeling and cutting, 4) Implementation of both online and offline promotional systems, 5) Separation of business finances from household finances, 6) Existence of management succession, 7) Establishment of a dedicated marketing store, 8) Competitive pricing, and 9) Utilization of banana peel waste as animal feed.

After identification, there are also internal factors that represent weaknesses in the processing of banana chips at UMKM Kemekan, which include: 1) Insufficient building capacity, 2) Equipment still being relatively simple, 3) Lack of written Standard Operating Procedures

(SOP), 4) Packaging innovations still limited by budget constraints, 5) Absence of P-IRT and halal certification, 6) Lack of product flavor variations, and 7) Absence of a Business License (SKU).

Several external factors have been identified as opportunities for the banana chip agro-industry at UMKM Kemekan, including: 1) Bananas are non-seasonal, 2) Government policies supporting SMEs, 3) Government programs for the development of SMEs, 4) Availability of raw materials in the Cibarusah area, 5) Good relationships with raw material suppliers, 6) Advances in communication and information technology, 7) Availability of shipping/expedition services, 8) Weather does not affect production, 9) Availability of export markets, 10) Positive consumer perceptions of the product, and 11) New business opportunities utilizing banana peels.

Following the identification, there are external factors that pose threats to the banana chip agro-industry at UMKM Kemekan, including: 1) Rising prices of oil and gas, 2) High raw material costs, 3) Emergence of new competitors with similar products, and 4) Government assistance that is sometimes misdirected.

Internal Factor Evaluation and External Factor Evaluation Summary Matrices

The next step after identifying the factors is to calculate the weights and ratings, which serve as the foundation for determining the company's position in the business. This is important to understand as a basis for the company to implement business strategies that are aligned with its conditions ((Wiagustini dan Permatawati, 2015)

Based on the analysis of internal factors at UMKM Kemekan, several factors have been identified to enhance the sustainability of the business, which are presented in Table 1: Internal Factor Evaluation (IFE). Meanwhile, the External Factor Evaluation (EFE) matrix is presented in Table 2.

Table 1 indicates that the highest scores for internal factors that significantly influence the strengths of the business are: effective raw material inventory management (0.24), the existence of a dedicated marketing store (0.24), and the utilization of banana peel waste as animal feed (0.24). Table 2 shows that the highest scores for external factors that have the potential to serve as major opportunities include: non-seasonal bananas (0.24), availability of raw materials in the Cibarusah area (0.24), and positive consumer perceptions of the product (0.24).

Table 2 shows that the highest values for external factors that pose the greatest potential threat are the high prices of raw materials (0.12) and government policies that are not targeted effectively (0.12). Meanwhile, the weakest threat faced is the emergence of competitors with similar products (0.06).

Furthermore, Table 1 reveals that the highest score for internal factors representing the main weakness is the absence of P-IRT and halal certification (0.24), while the least significant weakness is the relatively simple equipment (0.06).

Table 1. Identification of Internal Factors in the Banana Chip Agro-industry at UMKM Kemekan

Internal Strategic Factors	Value	Rating	Score
Strength:			
1. Raw material inventory management	0,06	4	0,24
2. Availability of business capital	0,04	3	0,12
3. Availability of peeling and cutting labor	0,04	3	0,12
4. Implementation of promotional systems (online and offline)	0,06	3	0,18
5. Financial management separate from household finances	0,03	2	0,06
6. Existence of management regeneration	0,06	1	0,06
7. Establishment of a marketing store	0,06	4	0,24
8. Competitive pricing	0,06	2	0,12
9. Utilization of banana peel waste as animal fee	0,06	4	0,24

Weakness:			
1. Insufficient building capacity	0,06	2	0,12
2. Equipment is still relatively basic	0,03	2	0,06
3. Lack of written Standard Operating Procedures (SOP)	0,04	2	0,08
4. Packaging innovation is still within budget	0,04	4	0,16
5. Lack of P-IRT and halal certification	0,06	4	0,24
6. No product flavor variations available	0,04	4	0,16
7. Lack of Business Registration Certificate	0,03	3	0,09
Total	0,77		2,22

Table 2. Identification of External Factors in the Banana Chips Agro-Industry of UMKM Kemekan

Internal Strategic Factors		Value	Rating	Score
Opportunity:				
1. Bananas are not seasonal fruits.		0,06	4	0,24
2. The government's policy regarding MSME (Micro, Small, and Medium Enterprises) policy.		0,05	3	0,15
3. The government's program for development.		0,06	3	0,18
4. The availability of raw materials in the Cibarusah area.		0,06	4	0,24
5. Good relationships with raw material suppliers.		0,04	3	0,12
6. Advancements in communication and information technology.		0,03	4	0,12
7. The availability of shipping/expedition services.		0,04	3	0,12
8. The weather does not affect production.		0,04	3	0,12
9. The availability of export markets.		0,03	3	0,09
10. Consumer perception of quality products.		0,06	4	0,24
11. A new initiative for utilizing banana peels.		0,04	3	0,12
Threat:				
1. The increase in oil and gas prices.		0,05	2	0,10
2. The prices of raw materials are still considered high.		0,06	2	0,12
3. The emergence of competitors with similar products.		0,06	1	0,06
4. Assistance is sometimes not targeted effectively.		0,06	2	0,12
5. The rise in the prices of basic necessities		0,03	3	0,09
Total		0,77		2,23

Internal Factor Evaluation and External Factor Evaluation Summary Analysis

According to Karmawan (2016), to determine the direction and objectives of managing an agro-industry, an Internal-External (IE) matrix analysis is conducted. The development of the Internal-External matrix (IE) is carried out by identifying the alignment of management conditions with the nine management strategy cells used in the SWOT analysis. The IE matrix (Internal-External), based on the matching of information obtained from the EFE (External Factor Evaluation) and IFE (Internal Factor Evaluation) matrices, serves to facilitate the determination of alternative strategies for the company. An IFES matrix score of 2.22 indicates that the banana chip agro-industry of UMKM Kemekan has a fairly good ability to leverage its strengths and weaknesses. Meanwhile, an EFAS matrix score of 2.23 (in the Figure 2) shows that this banana chip agro-industry has a fairly good capability in capitalizing on opportunities and avoiding threats.

Based on the IFE and EFE matrix scores, it is found that the potential development position of the UMKM Kemekan banana chip agro-industry is in cell V. According to David (2009), this cell indicates that the suitable strategy to be applied is "Hold and Maintain." Based on this type, the strategies that can be implemented for the banana chip agro-industry include market approach and product development by the company.

Market penetration is a strategy employed by a company to focus on maintaining or increasing its market share or sales of existing products. Market penetration strategies can be executed through competitive pricing, advertising or product promotion efforts, establishing partnerships for marketing, and gaining consumer loyalty. Meanwhile, market development involves introducing existing products to new geographical areas. The sustainability of market penetration depends on market segmentation.

According to Hapsari and Mohammad (2018), market grouping or market homogeneity, referred to as market segmentation, is necessary for directing business efforts on a product to be more targeted, effective, and efficient. Producers play a key role in holding the critical factors necessary to outperform competitors by observing and catering to the market from a unique perspective and in a way that differs from competitors (Ahmadi and Herlina, 2017).

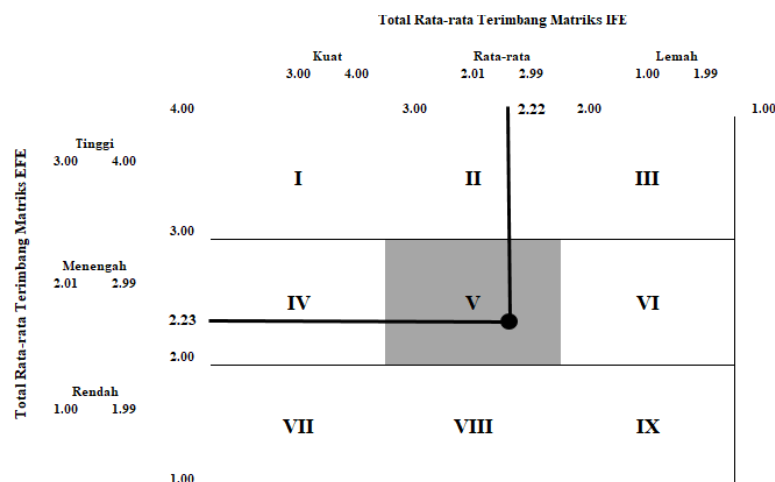


Figure 2. IFAS and EFAS Matrix of UMKM Kemekan Banana Chip Agro-industry

SWOT Analysis

After analyzing the internal and external factors of the mango candy agro-industry of the Satria Group, the results are entered into the IFE and EFE matrices, and then incorporated into a qualitative model. The SWOT matrix, as a qualitative model, is used as a reference in formulating the company's competitive strategy. The SWOT analysis of UMKM Kemekan we can be seen in Table 3.

Tabel 3. SWOT Matrix for the Development Strategy of the UMKM Banana Chip Agro-industry

	(Strength) S1, S2, S3, S4, S5, S6, S7, S8 dan S9	(Weakness) W1, W2, W3, W4, W5, W6 dan W7
(Opportunity) O1, O2, O3, O4, O5, O6, O7, O8, O9, O10 dan O11	Management of the availability and quality of raw materials (S1, S2, S8, S9, O1, O4, O5, and O8) Increasing employment opportunities for local residents (S3, S4, S5, S6, O2, and O3) Utilizing social media as a promotional tool (S4, S7, O6, O9, and O10) Utilization of production waste (S8, S9, O10, and O11)	1. Utilizing government assistance programs to expand facilities and procure production equipment (W1, W2, O2, O3, and O8). 2. Establishing written Standard Operating Procedures (SOP) and registering products as official MSMEs (W3, W5, W7, O2, O3, O9, and O10). 3. Innovating products and adding variants (W4, W6, O6, O9, and O10)
(Threats) T1, T2, T3, T4 dan T5	1. Maintaining and improving consistency in quality as well as product quality (S1, S2, T2, and T3). 2. Controlling the capital needs for production and profit (S2, S5, T1, T4, and T5).	• Planning optimal production volume to ensure total production costs are efficient (W1, W2, T1, T4, and T5). • Utilizing simple appropriate technology, both in the production process and in business management (W2, W6, T2, T3, and T4)

SWOT analysis is the final stage of this research. SWOT analysis is the formulation of alternative strategies. Strategies are chosen by optimally utilizing strengths and opportunities while controlling weaknesses and threats faced. To facilitate the interpretation of alternative strategies resulting from the SWOT analysis method, it is outlined as follows:

1. S-O Strategy (Strengths – Opportunities)
 - Management of the availability and quality of raw materials;
 - Adding workforce from the local community;
 - Utilizing social media as a promotional medium;
 - Utilizing production waste.
2. W-O Strategy (Weaknesses - Opportunities)
 - Utilizing government assistance programs to expand facilities and procure production equipment;
 - Establishing written Standard Operating Procedures (SOP) and registering products as official MSMEs;
 - Innovating products and adding flavor variants.
3. S-T Strategy (Strengths - Threats)
 - Maintaining and improving consistency in quality as well as product quality;
 - Controlling the capital needs for production and profit.
4. W-T Strategy (Weaknesses - Threats)
 - Planning optimal production volume to ensure total production costs are efficient;
 - Utilizing appropriate technology, both in the production process and in business management.

CONCLUSION

Identifying the internal and external environment of the banana chip product from Kemekan, Indonesia: 1) Main strengths: good management of raw material inventory, effective use of social media for promotion, and efficient utilization of production waste; 2) Main weaknesses include insufficient building capacity and limited production equipment; 3) Main opportunities: availability of raw materials due to having reliable suppliers and the potential to become an exporter; 4) Main threats: rising prices of essential goods, high raw material costs, the emergence of new competitors with similar products, and lower prices from competing products.

The appropriate development strategy that can be implemented by the banana chip agro-industry in Kemekan is to innovate packaging and flavor variations, as well as to improve product quality to be more competitive in both local and global markets. Additionally, leveraging the ownership of SKUs to secure funding from the government or financial institutions for the development of the banana chip business is recommended.

The conclusion contains a summary of the results of the discussion and generalization of the results of the research conducted. Based on these conclusions, the author can also provide suggestions for practical action, theory development, and further research.

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