THE DEVELOPMENT STRATEGY MICRO, SMALL AND MEDIUM ENTERPRISES IN BANDUNG

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ABSTRACT

Micro, Small and Medium Enterprises (SMEs) have an important role in supporting the economy. Based on data from the Department of Trade and Industry, the number of cooperatives and business units recorded in Bandung in the year 2011 as many as 333 512 units. SMEs employment in the year 2011 amounted to 620 879 people, or approximately 60.59% of the total workforce in Bandung. It is a very large number of which require serious attention in its management, because the handling of Micro / Small Enterprise means addressing inequality and poverty which until today is still a critical problem faced by the Government of Bandung. The aim of this study was to analyze the development strategy of small business medium-sized city of Bandung in obtaining amenity bankable and implementation of licensing policies that ultimately expected to be material formulation of Government policy to cultivate the city of Bandung in SMEs. In this study used the SWOT method with IFAS-EFAS Model, SWOT Matrix Model. The results show that the government is still lacking facilitate SMEs to grow and develop. In addition, there is a gap between the implementation of government policy in developing SMEs.

Keywords: Business Development Strategy, Marketing and Product MSME Bandung

I. INTRODUCTION.

Micro, Small and Medium Enterprises (SMEs) have the potential to become the driving force of the national economy, as well as the number of perpetrators is very large and engaged in every sector of the economy, also caused by this sector could trigger a wave of absorption of unskilled labor in large quantities, using raw materials local, a means for redistributing income, promoting economic growth and alleviating poverty. Compared with large enterprises, SMEs have relatively better resilience to the crisis, were able to meet local needs for goods / services with a more affordable price, and contribute significantly to the GDP.

Micro, small and medium enterprises (SMEs) are businesses engaged in various fields of business that touches the public interest. Based on BPS data [1], the population of small and medium enterprises (SMEs) amounted to 42.5 million units, or 99.9 percent of all businesses in the country. SMEs provide a significant contribution to employment, amounting to 99.6 percent. Meanwhile, the contribution of SMEs to the Gross Domestic Product (GDP) amounted to 56.7 percent.

In Bandung, the number of business units are listed on the Department of Cooperatives in the year 2011 as many as 333 512 units, with details of as many as 317 639 are micro enterprises, 13 625 is a business unit of the category of small businesses, as many as 2,051 a unit of medium and only 196 business units are categorized a large scale. Kerja UMKM energy absorption in the year 2011 amounted to 620 879 people, or approximately 60.59% of the total workforce in Bandung a very large number of which require serious attention in its management, because the handling of

Micro / Small means addressing inequality and poverty until now still be crucial issues faced by the Government of Bandung.

Problems faced today by SMEs are very diverse, comes to technical and administrative issues, ranging from the problems that are derived from the internal SMEs themselves and the problems that come from outside, one of the most prominent relates to the difficulty of access in getting financing facility from banks ,

These problems are basically very related to the profile of debtors SMEs are mostly less or even not bankable (does not meet the technical requirements of banking) .No its bankable feasibility aspect makes the debtor SMEs (feasibility) MSME borrowers neglected. As Debtor locations are in the field site that does not correspond to its land use designation, so that the question can not submits a building permit. Where SIMB is one of the requirements requested in the filed financing through banks.

Based on the phenomenon noted above, the problem can be formulated as follows:

  a. A lot of problems faced by SMEs in Bandung in developing its business both technical and administrative issues;

  b. The absence of a solution in resolving the problems faced by the entrepreneurs of SMEs in Bandung, both from businesses themselves and from government policy related to licensing policy issues;

  c. Lack of strategy formulation development of SMEs through the provision of credit facilities increased ease of working capital through credit channeling institutions, without being influenced by technical problems, such as land use;

In connection with some of the above problems, the researchers are interested in doing research with the title "The

development strategy Micro, Small and Medium Enterprises in Bandung".

II. METHODOLOGY.

The method of this paper is descriptive analysis method. {2} Sugiono (2004: 11) revealed that the descriptive method is a method performed to determine the value varaibel independently, either one or more variables, without making comparisons, or connect with other variables. The reason the use of this method with the consideration that the purpose of this activity is to create a description of your, illustration and painting in a systematic, factual and accurate about the facts between the phenomena being studied.

SWOT analysis used in this study is also to draw up strategic policies and directions of development of private sector participation in the development of the regional development in an integrated and sustainable. This analysis is useful because it can identify the strengths and weaknesses of the private sector's role in regional development, while the challenges and opportunities which, combined with the strengths and weaknesses may formulate solutions to the problems outlined in the various strategic measures.SWOT analysis is basically utilize all the data and information in the quantitative models for the formulation of strategies [2]. The models used in the SWOT analysis are as follows:

  • IFAS - EFAS (Strategic Internal-External Factor Analysis Summary Strategic Factor Analysis Summary);
  • Matrix Space;
  • SWOT matrix.

III. RESULT

The Result regarding SME development strategy include: Capital market structure, marketing, administration, financial, institutional and licensing. Venture capital for SMEs is one

of the major limiting factor. The majority of SMEs into the sample survey of SMEs in 2012 by BPS Bandung, the initial capital and additional capital in 2011 sourced from its own capital / private. To fund their production activities rely entirely on money / savings alone, family, relatives or from other informal sources. The reason is they do not take advantage of financial credit which are never heard or less information regarding their credit assistance, there were never tried, but because of his efforts dainggap unfit and can not meet the requirements, including the provision of guarantees, or the many SMEs which did not wish kuangan to borrow from formal institutions. But in essence there are still many SMEs who have limited access to credit financing schemes to assist their efforts. percent and private banks as much as 5.86 percent. The remaining 4.18 percent of the initial capital is sourced from a combination of different types of capital sources. Based on this, the future need to be opened askes as possible for SMEs to be able to use the schemes of capital for SMEs that had been initiated by the government, and banking, so that in the future the classic problem associated capital is no longer an obstacle for SMEs in Bandung. Results of research on sources of funds for venture capital SMEs in Bandung showed that: the ownership of capital is the most important thing for all businesses, entrepreneurs may use their own capital or borrowing. 52% of respondents opted for the loan due to not having enough capital to conduct business while 48% of respondents would prefer not to borrow for reasons ranging from not knowing the procedure until a proposal is rejected but the majority of respondents admitted that is not interested in borrowing. Measurement of market structure in this study using the Herfindahl-Hirschman Index (HHI). Perfectly competitive market has the HHI mendekti zero and has a monopoly market HHI 10,000.

An Analysis of the SME market structure Bandung assuming that substantial entrepreneurs are omitted from the analysis and referring to the classification of the US Department ofJustice, obtained the results as contained in the tables below.

There are 15 industries / businesses SMEs Bandung, which studied the structure of the market. From 15 indutsri / traders, one iondustri monopolistic market structure that is industry Lilisn Ornamental, 4 industry has a competitive market structure that is moderate, industrial dolls, craft, bamboo craft, and accesories. Seven (7) indiustri imperfect competition market structure ie, indsutri miniature, puppet show, embroidery, screen printing, stove, caterpillar hongkong, as well as flowers and cut flowers. Three (3) competitive market structure competitive industry, namely industrial bags, clothing, and convection.

Marketing is the most important thing in the course of business activities, according to data from respondents who were then as many as 52% of respondents admitted having difficulty marketing for a variety of things such as lack of resources to locate / expand the market, is heavily dependent on trading partners and very depends on consumers who come directly to the place of production. While 48% of respondents admitted no difficulty in marketing due to the strategic location, the lack of effort opponent and able to face market competition. One important aspect of running a business is a recording system of financial administration. With the recording system of good financial adminsitai the constraints of SMEs to be able to access to the owners of capital, especially banks, can be reduced. Based on the results of research conducted with respondents SMEs located in the city of Bandung, noted that 35% of respondents conduct financial records and as many as 65% do not conduct financial records. Thirty-five percent of respondents do the accounts by reason financial

administrative records are important because can help monitor the amount of money coming in and money out, while most were not important because the amount of money they received as expected or they do not understand financial records.

Business communities usually follow employers' associations to obtain raw materials or exchange information about the business activities they do. The survey results of the survey respondents, showed as much as 69% of respondents do not follow employers' associations or cooperatives. They opt outs because of things like the importance of the association, does not play a role in coordinating the unhealthy competition between similar businesses or do not know. Meanwhile 31% of respondents followed the employers' association with reason to know information of raw materials or exchange information about the business activities of respondents. Survey of some respondents, Micro, Small and Medium Enterprises in Bandung shows a small portion of SMEs already have a business license by 37%, while 63% do not have a business license. If detailed from some respondents who do not have a business license will largely do not understand business licenses or business location that is not in place. Of the 63% who do not have permission or the legal entity largely derived from micro enterprises.

2.1. Strengths, weaknesses, opportunities and threats of SMEs Bandung.

2.2. Strengths.

1. Limitations in access to productive resources, the SMEs as an independent business, firm, and flexible. SMEs flexibility from one sector to another, it becomes its strength in the survival and develop their business.

2. Flexibility and high durability in anticipating and adapting to the dynamics of change (growth) market. This is due to the dominance of the domestic market foothold, and the strong roots on input use domestic resources.

2.3. Weakness.

1. The low quality of human resources. Reflected in the underdeveloped entrepreneurial, low productivity, and competitiveness. This weakness influential in; create and exploit business opportunities, aggressive market access (mainly export), and access to capital resources.

2. Low desire administer licenses, making it difficult to access to the owners of capital (Bank).

2.3. Opportunities

1. Increased awareness, commitment and concern of the government, businesses, and communities on the importance of SMEs in the economy.

2. Changes in economic structure from agriculture to industry and services sectors. This creates opportunities for SMEs (particularly in the areas of agribusiness, agro-industry, tourism, handicraft industry, and other industries) to function as sub-contractors a strong and efficient for large businesses.

2.4. Threat.

a. Competition with foreign businessmen highly innovative, supported by technology, capital, and extensive business network will make it difficult to compete and develop SMEs.

b. Still lacking commitment, capability, and quality supervisors in government agencies.

IV. DISCUSSION.

SWOT matrix clearly describe how external opportunities and threats facing can be adapted to the internal strengths and weaknesses possessed. SWOT matrix SMEs Bandung as follows:

Table 2.1. SWOT matrix

EFI / EFE	STRENGTH (S) 1. Limitations in access to productive resources, the SMEs as an independent business, firm, and flexible. 2. Flexibility and high durability in anticipating and adapting to the dynamics of change (growth) market.	Weaknesses (W) 1. The low quality of human resources.Reflected in the underdeveloped entrepreneurial, low productivity, and competitiveness. 2. Low desire administer licenses caused by ignorance of licensing procedures, difficulties obtaining a license, so the impact to the difficulty of access to the owners of capital (Bank).
OPPORTUNITIES (O) 1. Increased awareness, commitment and concern of the government, businesses, and communities on the importance of SMEs in the economy. 2. Support for constitutional institutions (Act, Small Business, Law, Cooperatives, and the law. PROPERNAS, RPJMD Bandung, Bandung Related Office RKP), which gives priority to the economic development of SMEs in realizing a democratic economic system.	**SO strategy** 1. Policymaking regarding the ease and cost relief for SMEs in the permit Enterprises. 2. Increases access to productive resources through venture capital skem assistance facilitated by the government.	**WO strategy** 1. Enhance human resource capabilities of SMEs through various educational training and knowledge facilitated by the government. 2. Improving socialization importance of having a business license.
THREATS (T) 1. Competition with foreign businessmen highly innovative, supported by technology, capital, and extensive business network will make it difficult to compete and develop SMEs. 2. Unrealized commitment, policy consistency, and the spirit of integration of various stakeholders (policy makers) in the development of SMEs.	**ST strategy** 1. Increase support / facilitation to SMEs to innovate through the use of technology, and business networks. 2. Improving regulation and law enforcement that provides protection for the existence and development of SMEs.	**WT strategy** 1. Strengthening the ability of SMEs to use information technology to improve business competitiveness of SMEs. 2. Increasing government facilitation in improving product quality SMEs.

V.CONCLUSION

1. Bandung City Government through policy, both normative and implementation of programs to develop Micro, Small, and Menenengah include:

   a. Made Regional Regulation No. 23 of 2009 on SMEs.

   b. Department of Trade and Industry KUKM and has conducted programs and activities to improve the knowledge and skills of human resources, marketing, askes develop SMEs.

   c. Economic Section has implemented programs and courses take me MAKMUR BAROKAH particular to develop Micro Society of Bandung.

2. Business development strategies that can be done at SMEs include; Facilitation of business placement in accordance with the layout; Facilitating open and facilitate access pedanaan; Facilitation develop and expand market access through the promotion, information, and networking; Facilitation obtain raw materials; Facilitation of easier access to funding; Facilitation in developing businesses through counseling, training, capacity building in the fields of management and technology development; Creation of a conducive business climate; Facilitating ease of licenses issued, felt still lacking, this is indicated total score of respondents to eight policies that are in the category between memfalisitasi not enough facilitated.

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Hopefully the author of this paper can provide benefits to its readers. And besides it may help other researchers who will conduct further research or develop this panelitian. Thank you for your attention and cooperation.

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