

Innovation Strategy Of Village-Owned Enterprises (BUMDes) In Increasing The Potential And Economic Welfare Of The Community In Meraran Village, Seteluk Distric, West Sumbawa Regency

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Article Info	ABSTRACT
<p>Keywords: Innovation Strategy, IndevendentMandiri, Village Economy Walfare,</p>	<p>This Study aims to formulate an appropriate innovation strategy for BUMDesTonyongMandiri in increasing the potential and welfare of the Village Community Economy. The research, Qualitative data collection techniques in this study using purposive sampling conducted by interview, direct observation to BUMDes administrators, Village Head, Village Facilitators, while quantiatative data obtained from Community leaders through questionnaires, then the data is analyzed descriptively using SWOT analysis. The results show that BUMDesTonyongMandiri in its management has good strengths and opportunities, but there are still many things that need to be fixed including not utilizing the potential of existing naural resources, choosing types of businesses that are less in accordance with community needs, strengthening HR capacity needs to be improved, then product marketing has not been clearly directed. The result of the SWOT Matrix analysis obtained the formulation of the BUMDesTonyongMnadiri innovation strategy. Namely: 1) Analysingthe capacity of sustainable Vilage superior products, 2) Improving the supporting facilities and inftastructure for BUMDes, 3) conducting business feasibility studies, 4) partnering wit Village superior with MSMEs, farmer groups and other BUMDes, 5) Utilizing Teknology, 6) involving the Community in determining the type of business to be developed, 7) implementing trsining and education on marketing, financial, HR, operational and production management as well as BUMDes governance.</p>
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INTRODUCTION

The implementatation of regional autonomy is a momentum for improving the quality of rural development which is strengthened through the implementation of Law Number 6 of 2014 concerning village. Based on this legislation, village devolepment is considered an effort to strengthen village resilience through community empowerment and development of existing potential (Aini, 2020), So that village funds are not simply wased on physical development, another alternative path is through the empowerment process. In this topic, the empowerment process is carried our through the utilization of Village-Owned

Enterprises (BUMDes) to improve the village economy. With the principle of mutual cooperation-based management, it is hoped that BUMDes can help the empowerment process in the village. To strengthen BUMDes, apart from the material side such as funds, strengthening the capacity of management/human resources is important. Therefore, the paradigm of rural area development need to be changed by prioritizing active community participation in the entire development process (Ainiyah, 2020)

BUMDes can run businesses in the economic sector, public service and in its activities are not only oriented towards financial but also oriented towards supporting the improvement of village community welfare (Wijaya, 2019). The establishment of BUMDes is based on Law No.32 of 2004 in conjunction with Law No.6 of 2014 concerning village and PP No. 72 of 2025 concerning villages. Village regulation No. 3 of 2016 concerning BUMDes. The potential of BUMDes as an independent business institution for the village community in providing welfare for the village community itself. BUMDes in West Sumbawa Regency has been implemented especially since the enactment of Law No.6 of 2014 concerning villages where each village that has formed a BUMDes is given capital from the government through village Funds.

One of the villages in west Sumbawa Regency that has formed a BUMDes is Meraran village, BUMDes was established in 2017 which was named BUMDes THONYONG MANDIRI, until now there are 5 main programs related to the Villagebusiness unit programmed by BUMDesMeraran. The five business unit include waste processing, catering, procurement of goods and services, Beauty Business and Tutoring. Although the three programs have been legalized by regulation. In the field process there are only two programs that are run. Namely waste processing and Tutoring. Merara Village if viewed geographically. This village the only village in Seteluk District that has potential resources, namely Lake/Lebo, This lake has various types of freshwater fish, lotus/Thonyong and water Hyacinth, besides that there are also rice and vegetable agricultural products, with this potential supported by the existing Bumdes to innovate, it should be able to improve the economic welfare of the Meraran village community. This is the basis for this study in mapping BUMdes problems so that appropriate problem solving is obtained.

BUMDes in its implementation still encounter several problems, namely the lack of community participant in managing BUMDes, the village government is not optimal in developing BUMDes, in addition in developing BUMdes, in addition, the quantity of human resources managing BUMDes, the Village government is not optimal in BUMDes is still limited. The human resources available to manage BUMdes proportionally must be given good training and education. One of the keys to success is determined by the ability and skills to develop BUMDes. The importance of Human Resource Competence in Innovation Strategies to increase local economic based potential and community economic welfare, (prawironegoro & utari, 2016), explained that competence is a combination of skills, creativity, and positive attitude toward certain jobs that are manifested in performance human resource development needs to be carried out continuously so that it will produce managers who are professional, knowledgeable, and have good skills, The problem that

arises is when the community has the opportunity to manage BUMDees as a village potential that is owned, in its implementation the quantity of Human Resources from the Meraran Village community who are willing to manage BUMDes is still low. BUMDes has not been able to carry out functions optimally, only two fields are still running, but the business that is being run is not the basic need of the community but is seasoned in nature, then the market segmentation is still unclear, so that income does not move significantly, lack of public awareness in developing other business field, with this condition, of course the competence of Tonyong Mandiri BUMDes managers is needed to optimize local economic-based potential.

Research Objectives To formulate an innovation strategy for BUMDes Tonyong Mandiri in increasing the Potential and Economic Welfare of Village Communities and the hope that the one village one product program can be realized based on existing potential and resources.

METHODS

This research was carried out in Meraran Village, Seteluk Sub-district, West Sumbawa Regency, for 3 months, starting from observation, field visits, and interview process to data processing. Data used in this research is primary data obtained by conducting in-depth interviews and direct observation of BUMDes and community activities. Secondary data was obtained through literature, ministerial decrees, and Central Bureau of Statistics (BPS) data, as well as research related to strategy, innovation and BUMDes. Selection of research locations was based on the potential resources and socio-economic conditions of the community (Sekaran, 2011)

Research conducted is a mixed method, where the initial stage uses qualitative methods and the next stage uses quantitative methods (Moleong, 2018), In this study, purposive sampling was carried out by means of interviews, direct observation to BUMDes administrators, Village Heads, Village Assistants, while for the community to obtain information using a questionnaire, the data collected was tabulated and then analyzed descriptively with SWOT analysis. (Rangkuti, 2006). Data is analyzed descriptively using SWOT analysis. (David, 2015).

RESULTS AND DISCUSSION

Identification of Internal and External Factors

Table 2: SWOT diagram of Tonyong Mandiri village enterprise

IFAS	Strenght (S)	Weaknes (W)
	1. Facilities and Infrastruc-ture	1. Insights and Skills in uti-lizing Potential
	2. Availability of Village Fund	2. Marketing of Bumdes Products
	3. Many Business Activities	3. Information technology facilities
	4. Availability of human re-	

EFAS	sources for BUMDes management	4. Inadequate Education and Training
	5. Village Government Support	5. Business is not a community need
	Opportunities (O)	Threats (T)
	1. Legal Umbrella of Bumdes	1. bumdes management and governance
	2. Natural resource potential	2. Bumdes products are not yet able to compete
	3. Community Participation	3. Raw material supply
	4. Alternative livelihoods	4. Technology development
	5. Central and local government policies Partnership	

Based on Table 2, the results of the analysis of the internal and external environment at BUMDes in Meraran Village. Strategic factors that can be identified as *strengths*, *weaknesses*, *opportunities* and *threats* are presented analyzed in the form of IFAS and EFAS tables. To get how much the ability of Internal and External strategic factors after the total IFAS and EFAS will be presented in the form of an IE Matrix table. The table is to determine the positioning of BUMDes in Meraran Village. After getting the positioning of the BUMDes, then to get the alternative development strategies needed, it is analyzed again in the form of a SWOT Matrix which gets four alternative strategy cells and determines strategy priorities according to the positioning that has been obtained

IFAS Analysis

Table 3: IFAS calculation of BUMDes Thonyong Mandiri

No	Problem issues	Significance Level	Weight	Rating	Score
Internal Environment Strengths (Strenght)					
1	Legal Umbrella	2	0.1	4	0.4
2	DD Available	3	0.15	5	0.75
3	Many business activities	2	0.1	4	0.3
4	Human resources for Bumdes Management	1	0.05	5	0.25
5	Village Government Support	2	0.1	4	0.4
SubTotal Strength		10	0,5		2,1
Weakness					
1	Insights and skills in utilizing Potential	3	0.15	1	0.15
2	Marketing of Bumdes Products	2	0.1	2	0.2
3	Information Technology Facilities	1	0.05	2	0.10
4	Inadequate education and training	2	0.1	1	0.1
5	Business is not a community need	2	0.1	2	0.2
SubTotal weakness		10	0,5		0,75
Total					2,85

Source: Primary Data Processed 2022

The results of the identification of internal strategic factors (IFAS) of BUMDes and the provision of weights and ratings obtained the results of the analysis presented in Table 3, the total value of internal factors is 2.85 This shows that Bumdes Tonyong Mandiri has the ability to utilize its strengths to overcome its weaknesses, while the main strength that supports is the availability of Village Funds with a score of 0.75, while the main weakness is inadequate education and training with a score of 0.1.

Table 3: Calculation of EFAS of Tonyong Mandiri Village

No	Problem issues	Significance Level	Weight	Rating	Score
External Environment Opportunities (Opportunities)					
1	Facilities and Infrastructure	2	0.1	5	0,5
2	Natural Resources Potential	3	0.15	4	0.6
3	Technology Development	2	0.1	4	0.4
4	Alternative Livelihoods	1	0.05	4	0.2
5	Central/Local government policies	2	0,1	5	0.5
6	Partnership	1	0.05	4	0.2
SubTotal opportunity		11	0,55		2,4
Threat					
1	Management and governance of Bumdes	2	0.1	1	0.1
2	Bumdes products have not been able to compete	2	0.1	2	0.2
3	Raw material supply	3	0.15	2	0.3
4	Technology development	2	0.1	1	0.1
Sub Total Threats		9	0.45		0,7
Total					3,1

Primary data processed 2022

Based on the results of the analysis of external factors (EFAS) in Bumdes Tonyong Mandiri, the total value of external factors is 3.1. This value indicates that opportunity conditions can be utilized to avoid existing threats. The main opportunity is the potential of natural resources with the largest value of 0.6 with a total opportunity value of 2.4 while the main threat with the largest value is Bumdes management and governance and technological developments of 0.1 with a total threat value of 0.7.

IE Quadrant Analysis

Based on Figure 2, it shows that Bumdes Tonyong mandiri has a strategic position in increasing the potential and welfare of the village's economic community, seen from strong internal and external factors. The strategic position is in quadrant I, namely the Aggressive / Growth strategy, the same thing according to Rangkuti (2018) that a total score far below 2.5 is a characteristic of an internally weak organization. While the number far above 2.5 indicates a strong internal position. This position has a high chance of continuing to grow, namely expanding by using several alternative strategies obtained through the calculation of the next SWOT matrix analysis.

SWOT matrix analysis

Table 4: BUMDes SWOT Matrix

EFAS	IFAS	STRENGHT (S) 1. Payung Hukum 2. Tersedianya Dana Desa 3. Banyak Kegiatan Usaha 4. Tersedianya SDM Pengelola BUMDes 5. Dukungan Pemerintah Desa	WEAKNES (W) 1. Insights and Skills in utilizing Potential 2. Marketing of Bumdes Products 3. Information technology facilities 4. Inadequate Education and Training 5. Business is not a community need
	OPORTUNITY (O)	Strategi S-O 1. Analyzing the capacity of sustainable village products 2. Improvement of Bumdes supporting facilities and amenities	Strategi W-O 1. Establish cooperation with MSMEs, farmer groups and other BUMDes 2. Utilization of appropriate technology in accordance with the advantages of village products
	THEREATS (T)	Strategi S-T 1. Business Feasibility Analysis 2. Community involvement	Starategi W-T 1. Implement and follow the management training process, such as: HR management, Marketing, Finance, Operations and Production as well as Bumdes governance.

Source: Primary Data Processed 2022

The SWOT matrix analysis uses data that has been obtained from the IFAS and EFAS matrices. The four main strategy groups suggested are S-O (Strenght and Threats), W-O (Weaknes and Opportunities), S-T (Strenght and Threats), W-T (Weaknes and Threats) strategies, based on the results of the Bumdes SWOT matrix, four groups of alternative strategies were obtained, namely:

1. S-O strategy:

By analyzing the high potential of resources in the village, it can open up great business opportunities that can ultimately increase PADes and improve village economic welfare. Economic acceleration in rural areas through the development of BUMDes based on the development of superior products for rural communities. The development of superior commodities in the region will open up business opportunities for the community, especially in rural areas.

2. W-O Strategy:

The W-O strategy includes, namely: a) partnering with MSMEs Farmer groups and other BUMDes,; b) utilization of technology, if possible using marketing with online applications.

3. S-T strategies

need to be carried out Business feasibility studies, b) need community involvement, especially utilizing Human Resources, by looking at the potential of Natural Resources owned, this is done in order to control the activities of BUMDes business units that are different from other Bumdes Business activities and in accordance with community needs. 4.

4. W-T strategies

include, namely: a) Carry out and follow the process of management training and education, such as: HR management, Marketing, Finance, Operations and Managements as well as the governance of Bumdes by means of comparative studies on more advanced Bumdes as an increase in the capacity of the management.

Village development is a common focus in developing countries, including Meraran Village. Innovation strategies based on the local economy are one way to accelerate economic growth in rural areas. In increasing the potential and welfare of the Village Economic community, an innovation strategy is needed. According to (Damayanti, 2016) , Strategy is thinking about what types of programs and initiatives should be designed and implemented to attract, develop and maintain effectively. According to (Nursetiawan, 2018), Innovation is a tool to replace the old with something new. Innovation is the ability to create something new and different from the previous situation, and of course in accordance with existing ideas, facts and information. Local economic development according to Blakely and Bradshaw is a process where local governments and community organizations are involved to encourage, stimulate, maintain, business activities to create jobs.

Currently, the Village Government's efforts need to make policies to determine the type of BUMDes business in advance according to the potential and needs of the village community. So that if it is associated with the results of the SWOT analysis that has been carried out, it is known that the aggressive strategy owned by Bumdes can still be improved through business development expansion using several alternative strategies. The strategies that can be done include:

1. Analyzing the superior potential of the village, from the results of the analysis, the natural resource potential of Meraran Village is very strong with a score of 1.00 so that this potential becomes a strength and business opportunity, according to Syahza et al (2018), a business opportunity will become a source of income that provides additional income to the community if it is able to capture and utilize potential business opportunities to be developed into a real business activity based on existing potential and community needs. Along with the central government's policy, a Joint BUMDes will be formed and the Village must have a Superior Product, for this reason, Meraran Village can produce one or more superior products based on existing

potential, including Cork fish flour products whose raw material is from Cork fish, this flour can serve as a source of National Food Protein.

2. Conduct a Business feasibility study

A business feasibility study is an activity carried out to determine whether a business is feasible or not. This activity includes identifying problems, opportunities, determining objectives, describing how the business situation is and assessing the various benefits generated. In relation to business, this study can be used to help entrepreneurs make the right decision. this study is very important because it can prevent business people from losses. The results of the study are in line with research conducted by (Gunawan, 2019) showing the level of business feasibility of micro, small and medium enterprises in terms of marketing, finance, human resources and production aspects in accordance with the feasibility study of the tofu making business. and the factory has implemented a business feasibility study even though it is not yet full and can increase the income of MSMEs making tofu.

3. Partnering with MSMEs, Farmer Groups and other BUMDes

With the central government policy that all villages must have BUMDes, this is an opportunity for Bumdes Meraran to build partnerships with other BUMDes, MSMEs, and farmer groups, Meraran Village also has MSMEs and farmer group businesses.

Cooperation with farmer groups is to create a Village Economic Center, one of whose objectives is to buy agricultural products from farmers. Cooperation with MSMEs in terms of supplying raw materials or marketing MSME products.

The strategy is in line with research conducted by (Syahza, 2010), showing that BUMDes and MSMEs have a high ability to utilize strengths to overcome internal business weaknesses with a total score of 3,037. The potential for SME development in collaboration with BUMDes will provide added value for SME actors, especially agricultural-based processed products (Julianti, 2022). the rural economy will develop quickly if juxtaposed with the BUMDes program, especially village superior products. Furthermore, (Basuki, 2020), the role of MSMEs is very large in increasing community income, especially in rural areas. MSMEs should partner with BUMDes to accelerate the rural economy.

4. The village community participates in running the BUMDes program. Community involvement with the aim of knowing what the needs of the community are, so that the business created can meet the needs of the community itself, in addition to meeting needs, This provides an education to the community in order to improve the quality of human resources in the village. so that the village will grow forward in line with a community that has advanced quality as well.

5. Technology utilization

Marketing is part of how to convey information to the public about the business being run, currently technology is developing rapidly and technology makes it easy for business people to market their products, one of which is Digital Marketing

(Marketplace or Ecommerce), BUMDes must market their products online (BUMDes Digitalization).

Product Marketing must follow the flow of modernity. In modern and digital times, BUMDes must be able to keep up with the flow of modernity by carrying out various kinds of activities or programs that they carry out on the internet such as social media or online marketplaces. This strategy is in line with the results of research conducted (Rahman, 2011). This is done so that information will spread quickly and BUMDes not only provides information within the village area, but can market its merchandise or business outside the village in the hope that it will attract all circles and can get more village income. This provides an education to the community in order to improve the quality of human resources in the village. so that the village will grow forward in line with a community that has advanced quality as well.

6. Implement and follow the training process on BUMDes management and governance. In the field of BUMDes financial governance, so far, not all BUMDes Treasurers have an educational background in finance/accounting, so recording is still very manual. This is not too problematic if the business turnover is still on a small scale, but it is quite troublesome if the business managed by BUMDes starts to grow. Equally important is capacity building by conducting comparative studies for Bumdes managers.

CONCLUSION

Based on the research results, the BUMDes research in Mearan Village, Seteluk sub-district, West Sumbawa Regency is generally quite good, although there are several things that must be addressed, The results of the identification of internal strategic factors (IFAS) of BUMDes and the provision of weights and ratings obtained the analysis results presented in Table 3, the total value of internal factors is 2.85. The main strength with the greatest value is the availability of Village Funds with a total strength value of 0.75, while the main weakness with the greatest value is insufficient education and training with a total weakness value of 0.1. Based on the results of the analysis of external factors (EFAS), the total value of external factors is 3.1. This value indicates that opportunity conditions can be utilized to minimize existing threats. The main opportunity with the largest value is the potential of natural resources with a score of 0.6 with a total opportunity value of 2.4, while the main threat with the largest value is Bumdes management and governance and technological developments of 0.1.

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