



# Strategic Development of Village-Owned Enterprises for Enhancing Village Revenue

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**Abstract.** Village-Owned Enterprises (BUMDes) play a crucial role in driving rural economic development and supporting the financial independence of villages. However, many BUMDes, including in Suntalangu Village, face challenges in optimizing their potential to significantly contribute to Village Original Income (PADes). Addressing these issues is essential to ensure sustainable village-level economic growth and improve community welfare. This study aims to identify and formulate business development strategies for BUMDes Suntalangu to increase PADes. Using the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis method, the study evaluates internal and external factors influencing BUMDes performance. The analysis results indicate that while BUMDes has growth opportunities, existing weaknesses hinder its development. Proposed strategies to address these challenges include optimizing current assets, diversifying business activities based on untapped local potential, enhancing human resources through entrepreneurship training and education, and improving promotion and marketing through social media. The implementation of these strategies is expected to strengthen BUMDes' contribution to PADes and the economic welfare of the local community.

**Keywords:** BUMDes, Village Original Income, Development Strategy, SWOT Analysis, Improving HR Quality, Business Diversification.

## 1. INTRODUCTION

Village is a territorial unit in the structure of the Indonesian state after the birth of the Village Law, the village is a strategic place in the development of a region by strengthening regions within the framework of unity. This is an important concern of the government to strengthen the lowest region, namely the village, so that it can compete globally. One form of government attention to village development is by providing Village Funds sourced from the APBN [1]. The advantage of this Village Fund is that it can provide enormous benefits for villages in improving the village economy, villages can build their economic and financial resource capabilities for economic growth and improving community welfare. Villages are expected to be economically, socially, and culturally independent by exploring the potential of existing villages to achieve these goals. In encouraging an independent village economy, in accordance with Law No. 6 of 2014 concerning Villages and Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia No. 4 of 2015, the government has made a policy of establishing Village-Owned Enterprises (BUMdes). The establishment of BUMdes is a priority for the use of Village Funds.

Village-Owned Enterprises (BUMDes) are village business institutions managed by the community and village government in an effort to strengthen the village economy and are formed based on the needs and potential of the village. BUMDes according to Law Number 32 of 2004 concerning Regional Government was established in order to increase Village Original Income (Republic of Indonesia, 2004). According to Novitasari and Harsanti [2], there are 4 objectives of establishing BUMDes, including first, business development in order to alleviate poverty. Second, encouraging the growth of community businesses. Third, providing social security. Fourth, providing services for village communities. In its formation, Village-Owned Enterprises (BUMdes) have initial capital from the village government and then can be from the community or other related parties.

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In line with the establishment of BUMDes, it is expected to increase the original village income (PADes) itself [3]. For that, in practice BUMDes must be managed with transparent, participatory, and accountable elements. By implementing these elements, it is hoped that BUMDes managers can manage the resources they have very well, so that they can increase the income of the village community and the original income of the village itself. An important factor in the development of Village-Owned Enterprises (BUMDes) is the type of business. The business that BUMDes wants to develop must be linked to the type of business. Alternatives for developing BUMDes businesses can be done through village banks. Based on research, it shows that the development of village banks provides a fairly good contribution to increasing village original income (PADes). Based on the results of the study, the main factors that determine the success of the implementation of the BUMDes development strategy are village policy support, community participation, and also the ability to manage it [4].

According to Andriani [5], the formation of BUMDes is carried out to form a village through a village community empowerment event to increase the productivity and diversity of village businesses, form and strengthen forums that support production and marketing patterns, the availability of adequate facilities and facilities to support the rural economy, and increase natural resources as the beginning of rural economic growth. According to the opinion above, BUMDes is expected to be able to increase the potential of the village as a whole and can be enjoyed exclusively by the village community with the existence of BUMDes [6]. The community can make BUMDes a channel for the aspirations of the people's needs, a place of origin for local human resources for the development of village potential, and the use of capital according to Village Funds to be managed aphoristically to improve the village people's economy.

West Nusa Tenggara is one of the provinces in Indonesia that has abundant natural resources to be developed, even in each village there is potential for resources to be managed by the community and village government. In the NTB Provincial Government's plan for Regional Medium-Term Development (RPJMD) 2018-2023, the development of Village-Owned Enterprises (BUMDes) is one of the leading programs. The West Nusa Tenggara Community and Village Government Empowerment Agency (BPMPD) stated that there are 424 BUMDes in NTB, but only 224 BUMDes are actively running their businesses. There are quite a lot of obstacles for BUMDes in NTB to drive the village economy. One of them is the limited human resources and the lack of creativity in managing BUMDes [7].

BUMDes as a village-owned company that aims to improve the economy of the village community. There needs to be careful planning about what to do to achieve the goals of establishing BUMDes. In line with that, a strategy is needed in developing BUMDes so that there are no programs that are not relevant to the needs of the community. Strategy in an organization is an action planned by the leader of the organization in finding a match between internal and external strengths to achieve the goals of the organization. Strategy in this case is the long-term goal of a company, as well as the utilization and allocation of important resources in achieving goals. (Chandler, 1962) In line with the opinion above, a mature strategy is needed in running each program created by BUMDes so that its goals are achieved. In line with research conducted by Chandra et al. [8], on the Development Strategy of Jaya Gemilang Village-Owned Enterprises. In improving the welfare of the people of Lancang Kuning Village, North Banten District. Not running optimally, among others, the lack of public understanding about BUMDes Jaya Gemilang Lancang Kubing Village, North Bintan District. The existence of strategic management in BUMDes can have a big impact on the sustainability of BUMDes [9].

One of the BUMDes in East Lombok Regency is BUMDes Sentalangu Village. BUMDes Sentalangu Village is located in Suela District, Sentalangu Village which is engaged in the trading business sector which is of a credit nature which is considered appropriate for its implementation. Where previously it was engaged in the savings and loan business sector. In accordance with article 1 of Law No. 6 of 2014, Sentalangu Village established BUMDes. Where this is expected to be a driver of the community's economy and increase Village Original Income [10]. Data on Village Fund Allocation and Village Original Income since the establishment of BUMDes Sentalangu Village in 2019 which was carried out in stages. Village Fund Allocation in 2019 was

around 150 million in 2020 50 million in 2021 50 million in 2022 50 million. Original Village Income in 2019 and 2020 there was no income coming in from BUMDes, in 2021 the Original Village Income that came in was 2,350,233 in 2022 the contribution of BUMDes to Original Village Income was not there due to errors in BUMDes financial management, and there were several obstacles in the business being run.

Based on the findings that have been presented, BUMDes Sentalangu Village needs to evaluate and formulate effective strategies to increase Village Original Income (PAD). Synergy between village leaders and BUMDes managers is a key factor in achieving the goals of establishing BUMDes, especially in facing challenges and utilizing existing opportunities. Improving the quality of BUMDes management is very important considering the increasing demands for independence and competitiveness between villages. However, the programs that have been developed so far are considered not to have had a significant impact on the development of BUMDes and PAD Sentalangu Village. Therefore, this study aims to analyze and describe the business development strategy of BUMDes Sentalangu Village in increasing Village Original Income through the SWOT approach.

## **2. METHOD**

### **2.1 Research Approach and Location**

This study uses a qualitative descriptive method to describe and analyze the BUMDes business development strategy in increasing Village Original Income (PADes). The qualitative approach was chosen because it is able to explore phenomena in depth, especially those that are difficult to measure quantitatively [11]. This study focuses on understanding the context and dynamics that occur in the field, so that qualitative methods are considered the most appropriate. Researchers act as key instruments in data collection, with purposive and snowball sampling techniques [12]. Data were collected through in-depth interviews and observations, then analyzed inductively to produce in-depth meaning. The descriptive approach was chosen because researchers wanted to describe in detail the strategies implemented by BUMDes, as well as their impact on increasing PADes. The location of this study is BUMDes Sentalang located in Sentalangu Village, Suela District, East Lombok Regency which is engaged in trade. The reason the researcher took Sentalangu Village as the research location is because Sentalangu Village has resources that can be developed and utilized as BUMDes business activities [13].

### **2.2 Data collection technique**

The data collection technique in this study was designed to obtain accurate and in-depth information related to the BUMDes business development strategy of Sentalangu Village in increasing Village Original Income (PADes). The researcher used three main techniques, namely observation, semi-structured interviews, and documentation. Observations were made by directly observing BUMDes activities, including business locations, interactions with the community, and business management processes. This helps researchers understand real conditions in the field, such as limited infrastructure and community responses to the services provided [14].

Semi-structured interviews were conducted with key informants, such as the BUMDes Director, Village Secretary, Village Treasurer, and the Sentalangu Village community. Questions were structured flexibly to dig up in-depth information about the strengths, weaknesses, opportunities, and threats (SWOT) faced by BUMDes [15]. For example, researchers asked about BUMDes' strengths such as low product prices and installment systems, weaknesses such as lack of capital and promotion, and opportunities such as local market potential and plans to add business programs. These interviews allowed researchers to understand the informants' perspectives in depth. In addition, researchers also collected secondary data through documentation, such as the Village Budget Report, Village Budget Realization Report, and BUMDes financial reports. This data was used to complement and verify the information obtained from interviews and observations.

### **2.3 Validity of data**

The validity of the data in this study is an effort to ensure the accuracy, truth, and consistency of the data collected. According to Li et al. [16], the validity of the data must meet three criteria, namely

demonstrating the value of truth, providing a basis that can be applied, and allowing external assessment of the consistency of the procedure and the neutrality of the findings. To achieve this, researchers use triangulation techniques, which involve checking data from various sources, techniques, and times. Source triangulation is done by comparing data obtained from various informants, such as BUMDes managers, village governments, and communities, to ensure similarities and differences in views [17]. Technique triangulation is done by verifying data using different methods, for example, data from observations is rechecked through interviews or documentation. Meanwhile, time triangulation is done by testing the credibility of the data through data collection at different times. If differences are found, researchers repeat interviews or observations to ensure data accuracy [18].

## 2.4 Data Analysis Techniques

This study uses SWOT analysis as a data analysis tool. According to Noorani et al. [19], SWOT analysis is a method of systematically identifying internal and external factors to formulate strategies. The goal is to maximize strengths and opportunities, and minimize weaknesses and threats. The analysis process begins with data collection through interviews, observations, and documentation, which are then identified based on internal factors (strengths and weaknesses) and external factors (opportunities and threats). To ensure data accuracy, researchers triangulate by comparing information from various sources, techniques, and times. The results of the identification are arranged in a SWOT analysis table to facilitate interpretation and strategy formulation. Based on the SWOT table, researchers analyze and formulate appropriate development strategies for BUMDes Suntalangu Village.

**Table 1. SWOT Analysis**

Internal Factors	Strength	Weakness
External Factors	Opportunity	Threats

After collecting information on internal and external factors, the second step is to provide weighting and rating. The weighting is carried out by parties related to BUMDes Suntalangu Village, namely the village government, BUMDes management and the community and the rating is given by researchers based on the results of interviews and observations. The following researchers show a table of determining weighting and rating.

**Table 2. Internal Strategy Factors (IFAS)**

Strategy Factors	Weight	rating	Score
Strengths (s)			
Sub total			
Weakness (w)			
Sub total			
<b>Total</b>			

The SWOT analysis in this study was carried out with several systematic steps. First, the researcher identified the factors that were the strengths and weaknesses of BUMDes of Suntalangu Village, which were then entered into column 1. Furthermore, the researcher gave a weight to each factor using a scale of 1.0 (most important) to 0.0 (not important) based on its influence on BUMDes. This weight was determined through questions to respondents, and the total weight should not exceed a score of 1.00. Then, the researcher gave a rating to each factor on a scale of 1 (very weak) to 4 (very strong) to assess the extent to which the factor affected the condition of BUMDes. The final score was calculated by multiplying the weight (column 2) by the rating (column 3).

**Table 3 External Strategy Factors (EFAS)**

Strategy factors	Weight	rating	Score
Opportunities (o)			
Sub total			
Threats (T)			
Ssub total			
Total			

The analysis of external factors in this study was carried out using systematic steps. First, the researcher identified factors that were opportunities and threats for BUMDes in Suntalangu Village, which were then entered into column I. Furthermore, the researcher gave weight to each factor using a scale of 1.0 (most important) to 0.0 (not important) based on the level of influence on BUMDes. This weight was determined through questions to respondents, with the total weight not exceeding a score of 1.00. Then, the researcher gave a rating to each factor on a scale of 1 (very weak) to 4 (very strong) to assess the extent to which the factor affected the condition of BUMDes [20]. The final score was calculated by multiplying the weight (column II) by the rating (column III). The total score shows the reaction of the variables analyzed to external strategic factors. After completing the weighting and rating, the final step is to formulate a development strategy using the SWOT matrix.

**Table 4. SWOT Matrix**

	Strength (S)	Weakness (W)
	Determine internal strength factors	Determining internal weakness factors
Opportunities (O)	S-O Strategy	W-O Strategy
Determining external factors	Creating strategies that use strengths to take advantage of opportunities	Creating strategies that minimize weaknesses to take advantage of opportunities
Threats (T)	S-T Strategy	W-T Strategy
Determining external factors	Creating strategies that use strengths to avoid threats	Creating strategies that minimize weaknesses to take advantage of opportunities

The SWOT matrix is used to make it easier for researchers to express research results, because it is able to clearly describe how opportunities and threats can be overcome by adjusting the strengths and weaknesses that are owned. This matrix creates four alternative strategies, namely: (1) maxi-maxi (utilizing strengths to seize opportunities), (2) maxi-mini (using strengths to overcome threats), (3) mini-maxi (overcoming weaknesses to take advantage of opportunities), and (4) mini-mini (reducing weaknesses and avoiding threats). After the data is analyzed through weighting and rating, the next step is to determine the quadrant coordinate points based on the results of the internal (IFAS) and external (EFAS) strategy factor weighting. The internal coordinate points are calculated by subtracting the total strength score from the total weakness score, while the external coordinate points are calculated by subtracting the total opportunity score from the total threat score. The results of this calculation will determine the quadrant position, which then shows the most appropriate strategy for the development of BUMDes Suntalangu Village.



**Figure 1. SWOT Analysis Diagram**

**2.5 Drawing Conclusions**

Quadrant I describes a very favorable situation, where the company has internal strengths and external opportunities that can be utilized optimally. In this condition, the most appropriate strategy is an aggressive strategy, which is to utilize the strengths owned to achieve the existing opportunities as much as possible. Quadrant II shows a situation where the company faces external threats, but still has significant internal strengths. The appropriate strategy for this condition is a diversification strategy, which is to seek long-term opportunities by utilizing internal strengths to overcome existing threats [21].

Quadrant III reflects a situation where the company has great external opportunities but is faced with internal weaknesses. The focus of strategy in this quadrant is to minimize internal problems so that the company can take advantage of existing opportunities and improve its position in the market. Quadrant IV is the most challenging situation, where the company does not have profitable opportunities and is faced with external threats and internal weaknesses. In this condition, the company needs to conduct an in-depth evaluation and take strategic steps to reduce the negative impact of these threats and weaknesses.

### 3. RESULT AND DISCUSSION

#### 3.1 Identification of Internal and External Factors

Identification of internal factors that are the strengths and weaknesses of BUMDes business development in increasing the Original Income of Sentalangu Village with informants using the triangulation method.

**Table 5. Conditions that are the strength of BUMDes business development in increasing the Original Income of Sentalangu Village**

Name	Status	Interview excerpts
Nora Fatmala Sari	Director of BUMDes	"The strength of BUMDes Sentalangu is that the members of BUMDes are the people of Sentalangu Village directly, there are none from other villages. Well, the type of business run by BUMDes itself is the provision of electronic goods such as cellphones, TVs, and other household needs. Whatever the community needs, we will order the goods first, if the goods are available, we will contact them again to pick them up. In addition, the prices we set are relatively cheap and here the community can pay in installments so that it does not burden the community."
Harmadi	Village Secretariat	"The type of business run by BUMDes is the procurement of electronic goods and other household needs. And according to the community who have taken goods at BUMDes, it is cheaper than other places and also the community can have debt there or in other words, pay in installments so that the community is not burdened. In addition, the place is also easy even though it is only a temporary place"
Ayat	Village Treasurer	"Overall, the business run by BUMDes has not been maximized because it was once in a coma, but the village government re-established this BUMDes, where the business that used to be run was savings and loans and was changed to procurement of goods, for the advantages owned by BUMDes itself, the goods are cheap, can be paid in installments and the place is also easily accessible to the public. The government itself provides support by providing financial assistance."
Saulya Alqurana	Village Community	"The existence of BUMDes in Sentalangu Village makes it easier for us as a community, especially when we need something we want, we don't need to wait for the money to be collected before we can get it, because in BUMDes we can go into debt and in my opinion the price is cheaper than other places."

Based on the results of interviews with related informants, it can be concluded that BUMDes Sentalangu Village has several internal strengths that support the development of its business. First, BUMDes management is carried out directly by the people of Sentalangu Village, which shows the active participation of residents in developing village businesses. Second, the price of the products offered is relatively cheaper compared to other places, thus attracting public interest. Third, a flexible payment system, such as installments, makes it easier for people to buy goods without feeling burdened. Fourth, the location of BUMDes which is easily accessible to the public is also an added value. Finally, BUMDes management has been running well, indicating structured and effective governance. Furthermore, internal data that is a weakness in BUMDes business development in increasing Village Original Income in Sentalangu Village can be seen in Table 6.

**Table 6. Internal Weaknesses in BUMDes Business Development in Increasing Village Original Income in Sentalangu Village**

Name	Status	Interview excerpts
Nora fatamala Sari	Director of BUMDes	"BUMDes itself is still newly formed so there are shortcomings such as lack of staff, sometimes the treasurer is assisted by the secretary in recording finances, there is no place for us to stock goods so that if the community wants to take goods, they cannot

Name	Status	Interview excerpts
Harmadi	Village Secretary	be seen directly, they need to be ordered first. We also lack funds in running this BUMDes business program, sir, when the distribution of BUMDes results with the village government to be included in the village's original income is also not optimal because many mistakes were made at the beginning when recording and reporting finances because there has been no training"
Ayat	Village Treasurer	"There is no permanent place for BUMDes to run its programs, so for the time being we provide it next to the village office so that the community can also go there. For the allocation of village funds to BUMDes, for the time being we are giving half of it to see the development later when it feels smooth we will provide it in stages, okay?"
Saulya Alqurana	Village community	"The financial management is still lacking, yes, it is still wrong because there has been no special assistance given to the BUMDes treasurer, seen from the BUMDes contribution to PADes, BUMDes has only distributed its income twice in 2020-2022. There are still many people who do not know about BUMDes because of the lack of socialization by BUMDes Staff, besides that the location is still temporary"
		"Many people don't know what is sold at BUMDes. I only know from people who have taken goods there. Although the location is strategic next to the village office, it is inside so we can't see the BUMDes."

Based on the results of interviews with related informants, it can be concluded that BUMDes Suntalangu Village has several internal weaknesses that need to be considered for business development. First, the lack of capital for business activities is an obstacle in developing and expanding services. Second, incomplete facilities and infrastructure limit operations and services to the community [22]. Third, financial management that has not reached its best potential indicates the need for improvements in financial governance. Fourth, the marketing capabilities that are still lacking make BUMDes not widely known by the community. Fifth, the absence of business partners limits opportunities to develop networks and collaborations. Sixth, the use of technology that is still minimal hinders the efficiency and competitiveness of BUMDes. In addition, the results of the researcher's observations also show that some people still do not know about the existence of BUMDes. Therefore, it is important for all related parties to improve facilities and infrastructure and improve the ability of managers to promote BUMDes. Then data on external factors that are opportunities and threats to the development of BUMDes businesses can be seen in Table 7.

**Table 7. External Factors that are Opportunities and Threats to the Development of BUMDes Businesses in Increasing Village Original Income in Suntalangu Village**

Name	Status	Interview excerpts
Nora Fatmala Sari	Director of BUMDes	"In my opinion, BUMDes Suntalangu village has a very big opportunity to develop, one of which is that there is no competition there, even though there are those who do the same business such as the Ati Jarah cooperative, but the community prefers BUMDes. There is a plan to add a basic food business program by utilizing the harvest from farmers"
Harmadi	Village Secretary	"BUMDes socializes more often with the community in the village so that it is very easy to promote the BUMDes business and the village community can shop at BUMDes. The plan is to add a basic food business program, yes, seeing that BUMDes is still running now, but that is still a plan."
Ayat	Village Treasurer	"If you look at the procurement efforts run by BUMDes, I think it is not yet optimal, so it has great potential to develop by utilizing existing resources because most of the professions of the people here are farmers, for that the village government helps BUMDes administrators by providing training, it has been recorded that three trainings have been given outside. BUMDes administrators must also be more creative in promoting to the community through social media because nowadays many people already have cellphones."
Saulya Alqurana		"It is very potential to see many residents of Suntalangu village who can be used as BUMDes consumer targets, therefore BUMDes administrators must be more active in promoting"

Based on the results of interviews with related informants, it can be concluded that BUMDes Suntalangu Village has several opportunities that can be utilized to develop its business. First, the lack of

competitors in the area provides space for BUMDes to develop. Second, the support from the village government through policies made is an important capital in strengthening BUMDes operations. Third, the potential to make people who have businesses as partners can expand networks and collaborations. Fourth, the use of social media for promotion can increase the visibility and attractiveness of BUMDes. Fifth, abundant local resources can be utilized to create new products or services. Sixth, the large number of villagers is a potential market that can be worked on by BUMDes.

**Table 8. Analysis of Internal and External Factors**

Factor	Strength	Weakness	
Internal Factors	<ul style="list-style-type: none"> <li>BUMDes Management of Suntalangu Village Community</li> <li>Product prices are relatively cheaper</li> <li>Payment system that makes it easier for the community</li> <li>Easily accessible place</li> <li>BUMDes management has been running well</li> </ul>	<ul style="list-style-type: none"> <li>Lack of capital for business activities</li> <li>Facilities and infrastructure are not yet complete</li> <li>Financial management has not reached its best potential</li> <li>Marketing capabilities are still lacking</li> <li>Do not yet have business partners</li> <li>Lack of use of technology</li> </ul>	
	Opportunity	Threat	
	External Factors	<ul style="list-style-type: none"> <li>Not many competitors</li> <li>Support from the village government through policies made</li> <li>Making people who have businesses as partners</li> <li>Utilizing social media for promotion</li> <li>Having resources to utilize</li> <li>Large number of villagers</li> </ul>	<ul style="list-style-type: none"> <li>People are in arrears on installments of goods</li> <li>Technology becomes a threat to the effectiveness and competitiveness of business</li> <li>Invasion from the same business</li> </ul>

**Table 9. Calculation of internal strategy factors (IFAS)**

Strategy Factors	Weight	Rating	Score
<b>Strengths (S)</b>			
Manager of BUMDes of Suntalangu Village Community	0.108	4	0.432
Product prices are relatively cheaper	0.104	3	0.312
Payment system that makes it easier for the community	0.106	3	0.318
Places are easily accessible	0.092	3	0.276
BUMDes management has been running well	0.090	4	0.360
<b>Sub Total</b>	<b>0.5</b>		<b>1.698</b>
<b>Weaknes (W)</b>			
Lack of capital for business activities	0.132	4	0.528
Incomplete facilities and infrastructure	0.109	3	0.327
Financial management that has not reached its best potential	0.136	3	0.408
Marketing capabilities are still lacking	0.123	3	0.369
Do not have business partners	0.109	4	0.436
Lack of utilizing technology	0.117	3	0.351
<b>Sub total</b>	<b>0.5</b>		<b>2.419</b>
<b>Total</b>	<b>1</b>		<b>4.117</b>

**Table 10. Calculation of external strategy factors (EFAS)**

Strategy Factors	Weight	Rating	Score
<b>Opportunity (O)</b>			
Not many competitors	0.067	2	0.134
Making the community who have businesses as partners	0.087	3	0.261
Utilizing social media for promotion	0.08	3	0.24
There is support from the village government through policies made	0.1	4	0.3
Having resources to be utilized	0.083	3	0.249
A large number of village residents	0.083	3	0.249
<b>Sub Total</b>	<b>0.5</b>		<b>1.433</b>
<b>Threats (t)</b>			
People who are in arrears on installments	0.137	3	0.411

Technology becomes a threat to business effectiveness and competitiveness	0.117	3	0.351
Invasion of the same business	0.109	2	0.218
<b>Sub Total</b>	<b>0.5</b>		<b>0,980</b>
<b>Total</b>	<b>1</b>		<b>2.413</b>

On the other hand, there are several threats that need to be watched out for. First, the habit of people who are in arrears on installments of goods can affect cash flow and business sustainability. Second, rapid technological developments can be a challenge in increasing business effectiveness and competitiveness. Third, invasions from similar businesses that may emerge in the future can create tighter competition. From the data above, it is then grouped based on internal and external matrices whose data can be seen in Table 8. The weighting and rating of internal and external factors, the data for which is presented in Table 9. Based on Table 9, the strength factors get a score of 1.698 while the weakness factors get a score of 2.419, which means that BUMDes Suntalangu Village has greater weaknesses than strengths in determining the BUMDes business development strategy development model in increasing village original income in Suntalangu Village. Furthermore, in Table 10 above, the opportunity factors get a score of 1.433 while the weakness factors get a score of 0.980, which means that the score determines the BUMDes business development strategy development model in increasing village original income has greater opportunities than threats.

### 3.2 SWOT Matrix

The SWOT matrix from the classification results based on IFAS and EFAS can be seen in Table 11.

**Table 11. SWOT Matrix**

Internal	Strengths (S)	Weaknes (W)
	<ul style="list-style-type: none"> <li>• Manager of BUMDes Suntalangu Village Community</li> <li>• Product prices are relatively cheaper</li> <li>• Payment system that makes it easier for the community</li> <li>• Easily accessible place</li> <li>• BUMDes management has been running well</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of capital for business activities</li> <li>• Facilities and infrastructure are not yet complete</li> <li>• Financial management that has not reached its best potential</li> <li>• Marketing capabilities are still lacking</li> <li>• Don't have a business partner yet</li> <li>• Underutilization of technology</li> </ul>
External	SO	WO
	<ul style="list-style-type: none"> <li>• Create new businesses by utilizing village potential.</li> <li>• Leverage government support and local networks to increase product visibility.</li> <li>• Selling products that help community businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct training for BUMDes members</li> <li>• Establish partnerships with community businesses</li> <li>• Improve and enhance the quality of facilities and infrastructure</li> <li>• Socialize the existence of BUMDes to the community.</li> </ul>
Opportunities (O)	ST	WT
<ul style="list-style-type: none"> <li>• Not many competitors</li> <li>• There is support from the village government through policies made</li> <li>• Make people who have businesses as partners</li> <li>• Utilizing social media for promotion</li> <li>• Have resources to leverage</li> <li>• The number of villagers</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing social media to reach consumers.</li> <li>• Market research to find community needs.</li> <li>• Utilizing Village Government support through policies</li> </ul>	<ul style="list-style-type: none"> <li>• Create contingency plans to deal with changes.</li> <li>• Develop product advantages that differentiate them from competitors</li> <li>• Provide special supervisors for people who are in arrears.</li> </ul>
Thereats (T)		
<ul style="list-style-type: none"> <li>• People are in arrears on installments of goods</li> <li>• Technology becomes a threat to the effectiveness and competitiveness of business</li> <li>• Invasion from the same business</li> </ul>		

### 3.3 Determining Quadrant Coordinate Points

Based on the results of the recapitulation of the weighting and rating of internal strategy factors (IFAS) and external strategy factors (EFAS), the total strength score was 1.698, the total weakness score was 2.419, the total opportunity score was 1.433, and the total threat score was 0.980. From these data, the coordinate points were calculated for the quadrant analysis. The internal analysis coordinates were calculated by subtracting the total strength score from the total weakness score, resulting in a value of -0.721. Meanwhile, the external analysis coordinates were calculated by subtracting the total opportunity score from the total threat score, resulting in a value of 0.453.

The results of this calculation are used to determine the quadrant position in the SWOT analysis diagram, which serves to identify the most appropriate development strategy. The quadrant position will indicate whether the strategy required is aggressive, diversified, turn-around, or defensive.

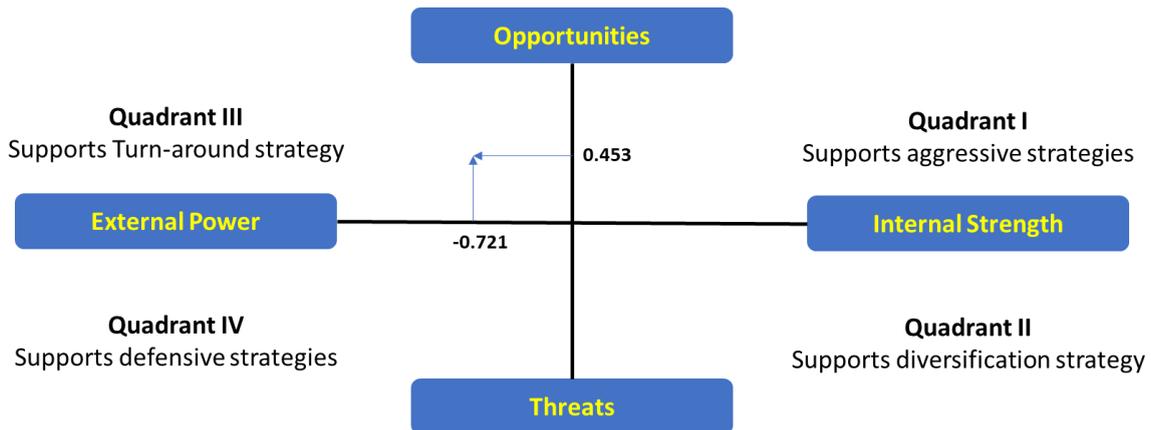


Figure 2 SWOT Analysis Diagram

Based on the SWOT analysis diagram in Figure 2, it can be seen that the strategy that can be used to support the development of BUMDes Suntalangu Village is in quadrant III, namely supporting the turn-around strategy. This shows that the position of BUMDes Suntalangu has opportunities on the other hand has internal weaknesses that must be reduced for the development of BUMDes Suntalangu's business and to increase the village's Original Income so that it can compete with BUMDes in the province of NTB.

### 3.4 Discussion

Based on the results of the SWOT analysis, BUMDes Suntalangu Village is in quadrant III, which indicates that there are large external opportunities but still faces internal weaknesses that need to be fixed. Therefore, the WO (Weaknesses-Opportunities) strategy is formulated to take advantage of opportunities to overcome internal weaknesses. One of the main steps is to hold training for BUMDes members to improve the capacity of managers in terms of finance and managerial skills, as stated by Puspita et al. [23], that increasing human resource capacity is the key to successful BUMDes management. In addition, establishing partnerships with community businesses can encourage local economic growth and increase business competitiveness, in line with Hernita et al. [25] which emphasizes that strategic partnerships can expand business networks and improve the quality of products and services.

Furthermore, improving and enhancing the quality of facilities and infrastructure is an important aspect in supporting BUMDes operations to be more efficient and productive, as Olaniyi et al. [24] findings show that adequate infrastructure can increase business efficiency. No less important, socializing the existence of BUMDes to the community can increase understanding and participation of residents in supporting the sustainability of village businesses, in accordance with research by Anggito & Setiawan (2018) which states that good socialization plays a role in increasing community involvement.

In addition, BUMDes also need to utilize technology and digitalization to improve marketing and operational efficiency, such as through social media and e-commerce platforms. Hernita et al. [25] emphasized that technology integration in small and medium enterprises can increase competitiveness and productivity. To overcome capital constraints, strengthening business capital can be done through soft loans, cooperation with financial institutions, or optimal utilization of village funds, as explained in Qadarisman et

al. [20] regarding the importance of capital access in supporting business growth. Community participation is also a crucial factor, where involving the community in planning and decision-making through discussion forums can increase a sense of ownership of BUMDes.

The next strategy is the development of products and services based on local potential, such as utilizing agricultural products or community crafts to create superior products. Adamik and Sikora-Fernandez [26], stated that the development of products based on local potential can increase competitiveness and business sustainability. To ensure that the implementation of the strategy runs optimally, periodic monitoring and evaluation are needed, as emphasized by Kriakous et al. [27] that evaluation is an important part of the effectiveness of the development program. In addition, synergy with the government and other stakeholders, such as NGOs and universities, can provide policy support, funding, and technical assistance to strengthen the position and sustainability of BUMDes businesses.

#### 4. CONCLUSION

Based on the SWOT analysis that has been conducted, BUMDes Suntalangu Village has several internal strengths, such as management by the village community, relatively cheap product prices, flexible payment systems, easily accessible locations, and well-running management. However, there are also internal weaknesses, such as lack of capital, incomplete infrastructure, suboptimal financial management, limited marketing capabilities, no business partners, and minimal use of technology. On the external side, BUMDes has great opportunities, such as minimal competitors, support from the village government, potential partners from the community, use of social media for promotion, abundant local resources, and a large village population. Based on the SWOT matrix, BUMDes Suntalangu Village is in quadrant III, which shows that the organization has great opportunities but is still faced with internal weaknesses. The right strategy to implement is the turn-around strategy, with a focus on the WO (Weaknesses-Opportunities) strategy alternative, namely utilizing external opportunities to overcome internal weaknesses. The suggestions that can be given are: (1) fulfilling the need for infrastructure to support BUMDes operations, (2) exploring village potential and creating new businesses based on community needs, (3) increasing socialization to the community so that they are more familiar with BUMDes, and (4) improving the quality of human resources through training that is relevant to BUMDes operational needs.

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