

MANAGEMENT DECISION-MAKING STRATEGY OF HOME INDUSTRY IN LU'AT CHILI SAUCE PRODUCTION. CASE STUDY OF "SUKA MAJU" HOME INDUSTRY AT DESA NAPAN KABUPATEN TIMOR TENGAH UTARA

(Strategi Pengambilan Keputusan Manajemen Industri Rumah Tangga Pada Produksi Saus Saus Lu'at. Studi Kasus Industri Rumah Tangga "Suka Maju" Di Desa Napan Kabupaten Timor Tengah Utara)

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ABSTRACT

Home industries are one of the economic drivers of rural communities and require proper management to develop sustainably. This study aims to analyze production costs and business profit, as well as to formulate management decision-making strategies for the "Suka Maju" home industry in Desa Napan, Kabupaten Timor Tengah Utara, which produces Lu'at chili sauce. The research method used was a case study, with primary and secondary data collected through observation and interviews. Data analysis was conducted through production cost calculation, profit and loss analysis using the variable costing method, and SWOT analysis using the IFAS and EFAS matrices. The results indicate that the Lu'at chili sauce business generates positive profit, but still faces several internal weaknesses and external threats. Based on the SWOT analysis, a decision-making strategy is needed that utilizes the business strengths and opportunities while improving weaknesses in production, marketing, management, and bookkeeping. An appropriate strategy is expected to improve business performance and maintain the sustainability of the home industry in the future.

Keywords: SWOT analysis, decision-making, home industry, Lu'at chili sauce.

ABSTRAK

Industri rumahan merupakan salah satu penggerak ekonomi masyarakat perdesaan dan memerlukan pengelolaan yang tepat agar dapat berkembang secara berkelanjutan. Penelitian ini bertujuan untuk menganalisis biaya produksi dan keuntungan usaha, serta merumuskan strategi pengambilan keputusan manajemen bagi industri rumahan "Suka Maju" di Desa Napan, Kabupaten Timor Tengah Utara, yang memproduksi sambal Lu'at. Metode penelitian yang digunakan adalah studi kasus, dengan pengumpulan data primer dan sekunder melalui observasi dan wawancara. Analisis data dilakukan melalui perhitungan biaya produksi, analisis laba-rugi menggunakan metode *variable costing*, serta analisis SWOT menggunakan matriks IFAS dan EFAS. Hasil penelitian menunjukkan bahwa usaha sambal Lu'at menghasilkan keuntungan positif, namun masih menghadapi beberapa kelemahan internal dan ancaman eksternal. Berdasarkan analisis SWOT, diperlukan strategi pengambilan keputusan yang memanfaatkan kekuatan dan peluang usaha sembari memperbaiki kelemahan di bidang produksi, pemasaran, manajemen, dan pembukuan. Strategi yang tepat diharapkan dapat meningkatkan kinerja usaha dan menjaga keberlanjutan industri rumahan tersebut di masa depan.

Kata kunci: analisis SWOT, pembuatan keputusan, industri rumah tanga, saus cabe lu'at

INTRODUCTION

Decision-making is the core of the managerial process in every organization, both large organizations and small and medium enterprises. Every decision taken will determine the direction, continuity, and performance of an organization in facing the dynamics of its internal and external environment. Errors in decision-making may result in inefficient use of resources, declining competitiveness, and even organizational failure in achieving predetermined goals.

In practice, decision-making cannot rely solely on intuition, especially under complex and uncertain environmental conditions. Therefore, a systematic and analysis-based approach is needed so that the decisions taken become more rational, measurable, and strategic. One analytical tool widely used in formulating decision-making strategies is SWOT analysis (Strengths, Weaknesses, Opportunities, Threats).

SWOT analysis is a method used to identify internal organizational conditions in the form of strengths and weaknesses, as well as external conditions in the form of opportunities and threats. Through the identification of these four factors, an organization can formulate various strategic alternatives aimed at maximizing strengths and opportunities while minimizing weaknesses and threats. Thus, SWOT analysis serves as a basis for the strategic decision-making process.

However, the use of SWOT analysis is often considered simple and is even applied descriptively without in-depth analysis. Many organizations use SWOT merely as a list of internal and external factors without directly linking it to a concrete decision-making process. In fact, the main strength of SWOT analysis lies in its ability to help management select the strategy most appropriate to the real conditions of the organization, rather than merely mapping the situation.

In the context of strategic decision-making, SWOT analysis is important because it bridges actual organizational conditions with the decisions to be made. Decisions generated through SWOT analysis are expected not only to be reactive to problems, but also proactive in utilizing opportunities and anticipating future threats. Therefore, the proper and systematic application of SWOT analysis can improve the quality of managerial decisions and support the achievement of organizational goals in a sustainable manner.

Based on this explanation, decision-making strategies using SWOT analysis are a relevant topic for further study, particularly in examining how this analysis is used as a basis for consideration in determining organizational policy directions and strategies.

The objective of this study is to determine the decision-making strategy of UMK Suka Maju in Lu'at chili sauce production.

METHOD

This research was conducted from April until completion in 2025, located in Desa Napan, on Jalan Pantai Makasar RT 04/RW 02, Kabupaten Timor Tengah Utara. The number of respondents was 10 people.

Concepts of Observation and Measurement

Operational definition is an explanation of research variables that are elaborated into indicators that can be measured concretely. This definition explains how a variable will be measured or operationalized in the research context.

1. The distinctive characteristics of Lu'at chili sauce refer to unique characteristics that differentiate the product from other products. These characteristics may include ingredient quality, packaging design, taste, and special features found at the research site.
2. SWOT analysis is a method used to evaluate strengths, weaknesses, opportunities, and threats.
3. Internal factors identify the strengths and weaknesses of the company.
4. External factors identify the opportunities and threats faced by the company.
5. The SWOT matrix is a matrix used to formulate various alternative marketing strategies.

This study aims to analyze management decision-making strategies; therefore, it can be analyzed using SWOT analysis, namely Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T). This analysis is carried out using the IFAS matrix and EFAS matrix as follows:

Internal Factor Analysis Strategy Matrix (IFAS)

Strategic planning must analyze the internal environment to identify various strengths and weaknesses. After the internal strategic factors of a company are identified, an IFAS table is prepared to formulate those internal strategic factors within the framework of the company's strengths and weaknesses. The stages are as follows:

- a. Determine the factors that constitute the company's strengths and weaknesses in column 1.
- b. Assign weights to each factor using a scale ranging from 1.0 (most important) to 0.0 (not important), based on the influence of these factors on the company's strategic position. The sum of all weights must not exceed a total score of 1.00.
- c. Calculate the rating (in column 3) for each factor by assigning a scale from 4 (outstanding) to 1 (poor), based on the influence of the factor on the condition of the company concerned. Positive variables (all variables categorized as strengths) are given values from +1 to +4 (very good) by comparing them with the industry average or the main competitors. Negative variables are assessed in the opposite way.
- d. Multiply the weight in column 2 by the rating in column 3 to obtain the weighted factor score in column 4. The result is a weighted score for each factor, with values ranging from 4.0 (outstanding) to 1.0 (poor).

e. Use column 5 to provide comments or notes explaining why certain factors were selected and how the weighted scores were calculated.

f. Sum the weighted scores (in column 4) to obtain the total weighted score for the company concerned. This total value shows how the company responds to its internal strategic factors. This total score can be used to compare the company with other companies in the same industrial group (Rangkuti, 1997:27).

External Factor Analysis Strategy Matrix (EFAS)

Before preparing the external strategic factor matrix, the External Factor Analysis Strategy (EFAS) must first be understood. The procedures for determining external strategic factors are as follows:

a. List 5 to 10 opportunities and threats in column 1.

b. Assign weights to each factor in column 2, ranging from 1.0 (very important) to 0.0 (not important). These factors may have an impact on strategic factors.

c. Calculate the rating (in column 3) for each factor by assigning a scale from 4 (outstanding) to 1 (poor), based on the influence of the factor on the condition of the company concerned. The rating for opportunity factors is positive; the greater the opportunity, the rating is +4, whereas a smaller opportunity is rated +1. The rating for threat factors is the opposite. For example, if the threat value is very high, the rating is 1; conversely, if the threat is low, the rating is 4.

d. Multiply the weight in column 2 by the rating in column 3 to obtain the weighted factor score in column 4. The result is a weighted score for each factor, with values varying from 4.0 (outstanding) to 1.0 (poor).

e. Use column 5 to provide comments or notes explaining why certain factors were selected and how the weighted scores were calculated.

f. Sum the weighted scores (in column 4) to obtain the total weighted score for the company concerned. This total value shows how the company responds to its external strategic factors (Rangkuti, 2015:25).

The tool used to formulate a company's strategic factors is the SWOT matrix. This matrix can clearly describe how external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses. This matrix can generate four possible alternative strategies.

Table 1. SWOT Matrix

Internal Factors / External Factors	Strengths (S) Determine internal strength factors	Weaknesses (W) Determine internal weakness factors
Opportunities (O) Determine external opportunity factors	SO Strategy Create strategies that use strengths to take advantage of opportunities	WO Strategy Create strategies that improve weaknesses to take advantage of opportunities
Threats (T) Determine external threat factors	ST Strategy Create strategies that use strengths to take advantage of threats	WT Strategy Create strategies that improve weaknesses to take advantage of threats

Source: (Rangkuti, 2016)

Notes:

1. S-O Strategy. This strategy is formulated based on the company's line of thinking, namely by utilizing all strengths to seize and take advantage of the greatest possible opportunities.
2. S-T Strategy. This is a strategy for using the strengths owned by a business to overcome threats.
3. W-O Strategy. This strategy is implemented by utilizing existing opportunities while minimizing existing weaknesses.
4. W-T Strategy. This strategy is based on defensive activities and seeks to minimize existing weaknesses and avoid threats.

After the SWOT analysis has been completed, the next step is to determine the strategic marketing position of green lettuce commodities using the SWOT quadrant. To determine the coordinates in the SWOT matrix, the calculation can be performed using the formula proposed by Rangkuti (2015). The strategic position coordinates (x; y) are determined as follows:

$$X = S \text{ value} - W \text{ value} \quad Y = O \text{ value} - T \text{ value}$$

In preparing the IFAS matrix, several variables from each aspect are considered, as shown in Table 2 below:

Table 2. Variables of the IFAS Matrix

No	Internal Factor Variables
Strengths	1. High-quality raw materials 2. Trust and competitiveness of the product 3. Quality product 4. Affordable product price
Weaknesses	1. Production process remains simple 2. Online marketing has not been maximized 3. Limited production scale 4. Organizational structure is not yet clear 5. Financial administrative records are not yet good

Source: “Suka Maju” Home Industry, 2025

In preparing the EFAS matrix, several variables from each aspect are considered, as shown in Table 3 below:

Table 3. Variables of the EFAS Matrix

No	External Factor Variables
Opportunities	1. Government support 2. Availability of raw materials 3. Potential for broad market coverage 4. Good relationships with customers/consumers
Threats	1. Increase in raw material prices 2. Similar product competition is beginning to develop 3. Uncertain weather 4. Availability of packaging technology

Source: “Suka Maju” Home Industry, 2025

RESULTS AND DISCUSSION

General Description of the Research Location

This research was conducted at the “Suka Maju” home industry, which is located in Desa Napan on Jalan Makasar RT 04/RW 02, Kecamatan Bikomi Utara, Kabupaten Timor Tengah Utara (TTU), Provinsi Nusa Tenggara Timur. Desa Napan is a rural area in the Indonesia-Timor Leste border region, where community economic activities are dominated by the agricultural sector and household-based micro-enterprises.

The “Suka Maju” home industry has operated for approximately 13 years and is engaged in processing local agricultural products. The products produced include herbal medicine, ginger wine, banana wine, various snacks, and the main product, Lu’at chili sauce, a traditional chili sauce typical of Nusa Tenggara Timur with a spicy taste and distinctive aroma.

The research location has relatively good agro-industrial development potential, supported by the availability of local raw materials and continuously developing market access. However, this industry still faces limitations in the use of production technology, bookkeeping systems, business management, and marketing strategies. Therefore, this location was selected purposively because it is relevant to be analyzed using the SWOT approach to formulate management decision-making strategies for home industry.

Decision-Making Strategy Analysis

In relation to business continuity in the future, it is very important for home industries to prepare long-term planning or strategic planning. Strategic planning is very important because it consists of a number of decisions and actions that lead to strategy formulation in order to help achieve objectives (Harapan, 2021).

Identification of Internal Factors (Strengths and Weaknesses)

Opportunities are profitable chances owned by an industry to develop its products in the future. The following are opportunity factors that influence the development of processed spice products into Lu’at chili sauce.

a. Government Support

The government plays a role in developing UMK in Desa Napan. One concrete form of support and effort made by the government through the industry and trade office (Disperindag) of Kota Kefamenanu is providing assistance to help develop businesses in UMK Suka Maju, as well as organizing festivals involving business actors with fairly large prizes as business development capital.

b. Availability of Raw Materials

To support the smooth production process at UMK Suka Maju, the business owner cooperates with permanent suppliers spread across the Kefamenanu traditional market at prices that have been mutually agreed upon. In general, the raw materials used are relatively easy to obtain so that production activities can run continuously without many obstacles. However, although raw materials are easy to obtain, their prices tend to fluctuate from time to time, which affects the increase in production costs.

c. Potential for Broad Market Coverage

Based on the research results, UMK Suka Maju has the potential to have broad market coverage. The products produced have been marketed in several stores in urban areas, namely KCS Mart, Kios Bintang, Ruko PLBN Napan, and Kios 4 Bersaudara. Product delivery to stores and kiosks uses vehicles owned by UMK Suka Maju. In addition, some customers order products by coming directly to the production site.

d. Good Relationships with Customers/Consumers

Based on interviews with consumers, Lu'at chili sauce processed products have a distinctive taste with a spicy-sour flavor that stimulates appetite and are offered at affordable prices. The quality of Lu'at chili sauce processed products is very good, with a delicious taste and no preservatives. This makes consumers satisfied when consuming Lu'at chili sauce, so price becomes the second factor in product purchasing.

Weaknesses are limitations or deficiencies owned by UKM Suka Maju that hinder the production process in developing agricultural processed products into Lu'at chili sauce. The following are weakness factors that influence the development of Lu'at chili sauce processed products at UKM Suka Maju:

a) The Production Process Remains Simple

The production process is an activity involving human labor, materials, and equipment to produce useful products (Hani Handoko, 2014). Based on the research results, UMK Suka Maju still carries out the production process simply or traditionally, using only basic production equipment such as wooden mortars, while the packaging process is also still conducted in a simple manner.

b) Online Marketing Has Not Been Maximized

According to Tjiptono (2019), online marketing plays an important role in expanding market reach and increasing consumer interest. However, the implementation of online marketing at UKM Suka Maju has not been optimal due to limited labor and distribution constraints, so business actors focus more on sales to regular consumers who purchase directly.

c) Limited Production Scale

Limited production capacity affects the instability of product availability, especially during periods of high demand. This instability may reduce consumer trust and hinder efforts to expand into a broader market (Walgito, 2010). Based on interviews, Lu'at chili sauce production is still home-based or small-scale, resulting in limited production capacity.

d) Organizational Structure Is Not Yet Clear

Organizational structure functions to regulate the division of tasks and responsibilities in a business (Solikah, 2020); however, at UMK Suka Maju, this structure has not functioned optimally, so the business owner still performs most of the Lu'at chili sauce production process.

e) Financial Administrative Records Are Not Yet Good

Financial recording is important in supporting business decision-making (Maidiana, 2021); however, UMK Suka Maju still carries out simple and manual bookkeeping, so financial accountability is not yet optimal due to limited expert personnel and low priority given to bookkeeping.

Identification of External Factors (Opportunities and Threats)

Opportunities are profitable chances owned by an industry to develop products in the future. The opportunities referred to in this study are favorable conditions for UMK Suka Maju. The following are opportunity factors that influence the development of processed spice products into Lu'at chili sauce.

a) Government Support

The government is both a promoter and the best partner in business implementation carried out by the community (Ndraha, 2011). The government plays a role in developing UMK in Desa Napan. One concrete

form of support and effort made by the government through the industry and trade office (Disperindag) of Kota Kefamenanu is providing assistance to help develop businesses in UMK Suka Maju and organizing festivals that involve business actors with fairly large prizes as business development capital.

b) Availability of Raw Materials

According to Tjiptono (2019), the more raw materials are available, the smoother the production process will be. To support the smooth production process at UMK Suka Maju, the business owner cooperates with permanent suppliers spread across the Kefamenanu traditional market at prices that have been mutually agreed upon. In general, the raw materials used are relatively easy to obtain, so production activities can run continuously without many obstacles. However, although raw materials are easy to obtain, raw material prices tend to fluctuate from time to time, which affects the increase in production costs.

c) Potential for Broad Market Coverage

Marketing is a fundamental action required to deliver produced goods from producers to consumers, either directly or indirectly (Harapah, 2021). Based on the research results, UMK Suka Maju has the potential to have broad market coverage. The products produced have been marketed in several urban stores, namely KCS Mart, Kios Bintang, Ruko PLBN Napan, and Kios 4 Bersaudara. Product delivery to stores and kiosks uses vehicles owned by UMK Suka Maju. In addition, some customers order products by coming directly to the production site.

d) Good Relationships with Customers/Consumers

Solikhah (2020) emphasizes that business sustainability can be achieved through good and continuous relationships with consumers. Interview results show that Lu'at chili sauce has a distinctive taste, good quality, no preservatives, and an affordable price, so consumers feel satisfied and prioritize product quality over price in purchasing decisions.

Threats are threatening conditions from the external environment that can disrupt the company. Based on interviews, the threat factors affecting the development of processed spice products into Lu'at chili sauce at UMK Suka Maju are as follows:

a. Increase in Raw Material Prices

The high price of raw materials in the market is a threat to UMK Suka Maju. This can affect production costs and profit margins. Therefore, the business owner must think harder about managing the costs incurred to purchase raw materials. The increase in raw material prices follows price policies implemented by the government.

b. Similar Product Competition Is Beginning to Develop

The research results show the existence of competitors selling similar products at lower prices, thereby attracting consumers to purchase those products. In addition, developing competitors are more innovative by using technological advances and online marketplaces to attract customers by promoting products through social media.

c. Uncertain Weather

Uncertain weather and prolonged dry seasons in the second quarter have affected the decline in the supply of chilies and onions, causing an increase in the prices of raw materials for Lu'at chili sauce production.

d. Availability of Packaging Technology

At UMK Suka Maju, packaging is still carried out simply, such as using glass bottles without sealing equipment; this tends to result in a shorter shelf life and a less guaranteed level of product safety.

Internal Factor Analysis (IFAS Matrix)

IFAS matrix analysis is related to the assessment of each internal factor that influences the development of processed spice products into Lu'at chili sauce.

Table 4. Results of IFAS Matrix Analysis for Lu'at Chili Sauce Product Business

No	Internal Factor	Weight	Rating	Score
Strengths				
1	High-quality raw materials	0.12	3.2	0.38
2	Trust and competitiveness of the product	0.15	3.0	0.37
3	Quality product	0.13	3.5	0.46
4	Affordable product price	0.10	2.3	0.39
	Total	0.50	15.4	1.56
Weaknesses				

1	The production process remains simple	0.13	3.4	0.43
2	Online marketing has not been maximized	0.07	2.6	0.18
3	Limited production scale	0.09	2.7	0.25
4	Organizational structure is not yet clear	0.10	3	0.29
5	Financial administrative records are not yet good	0.11	3.2	0.35
	Total	0.50	9.8	0.50
	Grand Total	1.00	30.3	0.05

Notes on rating for internal strategic factors: (1) Very weak; (2) Weak; (3) Strong; (4) Very strong.

Based on the table above, strengths and weaknesses influence the development of agricultural products into Lu'at chili sauce at UMK Suka Maju. The IFAS matrix analysis results show that the total strength score is greater than the total weakness score. The main strengths and weaknesses can be seen from the highest scores obtained. Each internal factor in strengths and weaknesses has different weight and rating values. The weighting criteria range from 0.0 (not important) to 1.0 (very important). The greater the weight, the higher the contribution to achieving the strategy for developing processed agricultural spice products into Lu'at chili sauce at UMK Suka Maju.

Based on the IFAS matrix analysis results, high-quality raw materials obtained a score of 0.32 with a weight value of 0.10 and a rating of 3.2. The determination of weights and ratings was based on criteria identified according to the conditions at UMK Suka Maju. The weight value was obtained from the total respondent answer score divided by the total score.

Trust and competitiveness of the product. The weight obtained for this variable was 0.09, the rating was 3.0, and the score was 0.27. The registration of UMK Suka Maju with Disperindag Kota Kefamenanu indicates that production activities have met administrative requirements as a small industry. In addition, possession of halal certification from MUI NTT provides additional assurance for consumers regarding quality and safety. The internal factor analysis results show that the main strength of UMK Suka Maju is the quality of Lu'at chili sauce products, with a weight of 0.12, rating of 3.5, and score of 0.42, supported by BPOM standards, halal certification, good shelf life, and the use of natural preservatives. In addition, affordable product prices are also a strength, with a weight of 0.08, rating of 2.3, and score of 0.18, where 200-gram Lu'at chili sauce produced by UMK Suka Maju is sold at Rp25,000, which is more competitive than similar products from other UMK.

External Factor Analysis (EFAS Matrix)

The EFAS matrix analysis is used to determine the extent to which external factors influence UMK Suka Maju.

Table 5. EFAS Matrix

No	External Factor	Weight	Rating	Score
	Opportunities			
1	Government support	0.14	3.4	0.48
2	Availability of raw materials	0.11	3.3	0.39
3	Potential for broad market coverage	0.09	2.7	0.37
4	Good relationships with customers/consumers	0.09	2.8	0.29
	Total	0.51	14.6	1.53
	Threats			
1	Increase in raw material prices	0.14	2.7	0.38
2	Similar product competition is beginning to develop	0.10	2.6	0.35
3	Uncertain weather	0.08	2.9	0.32
4	Availability of packaging technology	0.05	2.7	0.28
	Total	0.49	13.6	1.33
	Grand Total	1.00	29.9	0.38

Notes on rating for external strategic factors: (1) very weak; (2) weak; (3) strong; (4) very strong.

Based on Table 5 above, it can be seen that potential and threats influence the development of processed Lu'at chili sauce products at UMK Suka Maju. The results of the external factor evaluation matrix (EFAS) show that the total opportunity score is greater than the total threat score. The main opportunities and threats can be seen from the highest scores obtained. Each external factor in opportunities and threats has different weight and rating values.

The results of the EFAS matrix analysis at UMK Suka Maju show that the highest opportunity weighting is found in the factor of government efforts to support UMK in running their businesses, with a weight of 0.14 and a rating of 3.4. The EFAS matrix analysis results show that the role of government in facilitating the production process of a business has a strong influence on the development of Lu'at chili sauce processed products at UMK Suka Maju. Based on the research results, the business owner often participates in events and competitions organized by the government, so this industry once won first place in the Bank NTT fostered-village competition and received business capital of Rp250,000,000. Another role is the provision of one shop-house by the government in the Pos Lintas Batas Negara (PLBN) area as a form of facilitation intended to support the development of community businesses, particularly UMK actors in border areas.

The external factor that becomes an opportunity, namely the availability of raw materials, obtained a weight of 0.11, rating of 3.3, and score of 0.36. Based on the research conducted, UMK Suka Maju cooperates with permanent suppliers spread across the Kefamenanu traditional market at mutually agreed prices. In general, the raw materials used are relatively easy to obtain, so production activities can run continuously without many obstacles. However, although raw materials are easy to obtain, raw material prices tend to fluctuate from time to time, affecting the increase in production costs.

Having a business partnership with KCS Mart obtained a weight of 0.09, rating of 2.7, and score of 0.24. This shows that UMK Suka Maju implements a strategy by cooperating with stores located in the town center in order to increase consumers' purchasing power. This explains that good cooperation can also provide good results. Through cooperation with KCS Mart, Kios Bintang, Ruko PLBN Napan, and Kios 4 Bersaudara, product delivery to stores and kiosks uses vehicles owned by UMK Suka Maju. In addition, some customers order products by coming directly to the production site.

Good relationships with customers or consumers obtained a weight of 0.09, rating of 2.8, and score of 0.25. Based on interviews with consumers, Lu'at chili sauce processed products have a distinctive taste with a spicy-sour flavor that stimulates appetite and are offered at affordable prices. The quality of Lu'at chili sauce processed products is very good, with a delicious taste and no preservatives.

After the EFAS matrix analysis results have been identified, it is necessary to conduct an internal and external (IE) matrix analysis to determine the appropriate position and strategy for developing Lu'at chili sauce processed products at UMK Suka Maju. The IE matrix consists of the total scores of the IFAS and EFAS matrices. The total IFAS matrix score is placed on the X-axis (horizontal), while the total EFAS matrix score is placed on the Y-axis (vertical). Based on the analysis results, the total IFAS matrix score is obtained by adding the total strength score and the total weakness score, as follows: $1.57 + 1.52 = 2.92$. Likewise, the EFAS matrix is calculated as follows: $1.57 + 1.33 = 2.90$. The intersection point between the X and Y axes is located in Cell V (Growth and Stability). The IE matrix can be seen in Table 6 below:

Table 6. Internal and External (IE) Matrix

Total EFAS Score / Total IFAS Score	Strong 3.00-4.00	Average 2.00-2.99	Weak 1.00-1.99
Strong 3.00-4.00	I	II	III
Average 2.00-2.99	IV	V (2.92 : 2.90)	VI
Weak 1.00-1.99	VII	VIII	IX

Source: Processed primary data, 2025

Table 6 illustrates that the position and condition of UMK Suka Maju are in Cell V. According to Rangkuti (2016), in Cell V, the strategy that can be applied is hold and maintain through market opportunity adjustment and product development. The position of UMK Suka Maju is already fairly mature when viewed from the length of time it has been operating, from selling products in small quantities to achieving progress

up to the present, with sales tending to be stable in meeting market demand. Therefore, UMK Suka Maju must maintain customer/consumer trust and ensure that the supply of raw materials remains available.

The strategy that must be implemented by UMK Suka Maju to face increasingly tight market competition is to maintain product quality and innovate products by following market preferences so that products produced by UMK Suka Maju can attract consumer interest. Furthermore, optimizing online sales through social media can expand the marketing network.

Formulation of Alternative Strategies (SWOT Matrix) for UMK Suka Maju

To implement a strategy for a business, SWOT analysis is used (Abdul, 2016). Each identified internal and external factor will be analyzed using the SWOT matrix. According to Rangkuti (2016), the SWOT matrix is an analytical tool for determining alternative strategies that can be classified into four general strategies, namely Strength-Opportunity (SO) strategy and Weakness-Threat (WT) strategy. This matrix aims to determine alternative strategies for developing Lu'at chili sauce processed products at UMK Suka Maju. The following are alternative strategies for developing Lu'at chili sauce processed products at UMK Suka Maju.

Table 7. Results of SWOT Matrix Analysis for UKM Suka Maju

Internal Factors / External Factors	Strengths (S) - High-quality raw materials - Trust and competitiveness of the product - Quality product - Affordable product price	Weaknesses (W) - The production process remains simple - Online marketing has not been maximized - Limited production scale - Organizational structure is not yet clear - Financial administrative records are not yet good
Opportunities (O) - Government support - Availability of raw materials - Potential for broad market coverage - Good relationships with customers/consumers	SO Strategy - Maintain customer/consumer trust by improving product quality. (S1,S2,O2) - Expand marketing coverage by maintaining product quality and prices that remain affordable. (S1,S4,O3)	WO Strategy - Prepare detailed financial administrative records. (W5,O3) - Increase online marketing actively on social media. (W2,O3)
Threats (T) - Increase in raw material prices - Similar product competition is beginning to develop - Uncertain weather - Availability of packaging technology	ST Strategy - Maintain the quality of Lu'at chili sauce processed products, even when raw material prices are high. (S1,T1,T2) - Select high-quality raw materials in order to produce quality products. (S1,S3,T2)	WT Strategy - Maximize online marketing in order to compete with other UMK selling similar products. (W2,T2)

Source: Processed primary data, 2025

Notes:

- S1, S2, S4, O2, O3: Combined strategy using strengths to achieve opportunities (SO).
- W2, W5, O3: Combined strategy minimizing weaknesses to achieve opportunities (WO).
- S1, S3, T1, T2: Combined strategy using strengths to overcome threats (ST).
- W2, T2: Combined strategy minimizing weaknesses to avoid threats (WT).

Based on the SWOT matrix analysis results, several alternative strategies were obtained, namely S-O strategy, W-O strategy, S-T strategy, and W-T strategy. The alternative strategies obtained are as follows:

1. SO Strategy is a strategy formulated by using all strengths to seize and utilize opportunities as much as possible (Bahri, 2019). In this case, the SO strategy means utilizing all strengths owned by UKM Sima Indah to seize existing opportunities for the success of the business. The SO strategies that can be pursued by UKM Suka Maju are:

- a. Maintaining customer/consumer trust by improving the quality of Lu'at chili sauce processed products through the selection of high-quality raw materials. Product quality is an important aspect that must be maintained by UKM Suka Maju. The implementation of this strategy requires the business owner to ensure that the products are safe for consumption, that the raw materials used are of high quality, that the products produced have a good and fresh taste according to consumer preferences, and that the packaging is attractive.
- b. Expanding marketing coverage by maintaining product quality and keeping prices affordable, thereby reaching larger market opportunities. This strategy is carried out so that UMK Suka Maju can introduce its products to more consumers without changing the existing quality standards.

2. WO Strategy

- a. Preparing detailed financial administrative records to determine increases and decreases in demand for products from UKM Suka Maju. This strategy is carried out so that UKM Suka Maju can know in detail the expenditures and revenues from the products produced.
- b. Increasing online marketing actively on social media such as Tokopedia, marketplaces, Facebook, Instagram, and WhatsApp to expand market coverage.

3. ST Strategy is a strategy that uses the company's internal strengths to overcome threats (Lahindah, 2015). ST strategy refers to the internal strengths owned by UKM Suka Maju to overcome and reduce the impact of external threats that may influence the development of Lu'at chili sauce processed products at UKM Suka Maju.

The alternative ST strategies that can be formulated are:

- a. Maintaining the quality of Lu'at chili sauce processed products, even when raw material prices are high. Thus, UKM Suka Maju can compete with competitors offering similar products. This strategy is carried out so that the products produced remain high quality, good in quality, and have a delicious taste.
- b. Selecting high-quality raw materials in order to produce quality products, so as to compete with other UKM. This strategy is expected to maintain the quality and standard of Lu'at chili sauce processed products.

4. WT Strategy

WT strategy is based on defensive activities and is intended to minimize existing weaknesses and avoid threats (Rama, 2024). The determination of this strategy aims to reduce internal weaknesses and avoid threats that affect the development of processed maize products at UKM Sima Indah. The following WT strategy can be formulated using the SWOT matrix to improve processed maize products from UKM Sima Indah, namely maximizing online marketing in order to compete with other UKM selling similar products. This can be done by utilizing social media as a means to promote and market Lu'at chili sauce processed products from UKM Suka Maju. Therefore, this strategy must be maximized and optimized so that it is expected to increase sales of Lu'at chili sauce processed products at UKM Suka Maju.

Position of Alternative Development Strategy

Based on the SWOT analysis results, the strategic position for developing Lu'at chili sauce processed products at UMK Suka Maju can be determined using the SWOT quadrant. The determination of the alternative development strategy position is based on the analysis of total internal factor scores and external factor scores.

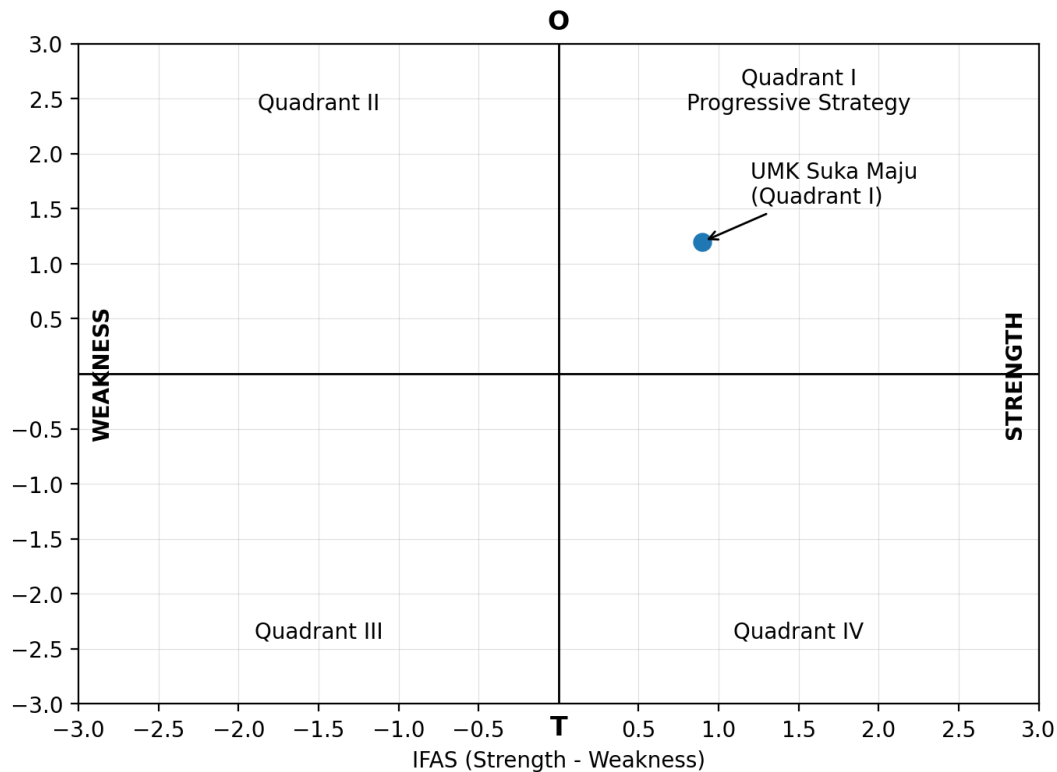


Figure 1. Diagram of Alternative Development Strategy Position for UMK Suka Maju

Figure 1 shows that the alternative strategic position for developing Lu'at chili sauce processed products at UMK Suka Maju is in Quadrant I, namely a progressive strategy where this position is very favorable. This means that the position indicates that UMK Suka Maju has sufficient internal strengths that can be used to seize existing opportunities for developing Lu'at chili sauce processed products. This strategy must be applied under these conditions to support an aggressive growth-oriented strategy. This is in line with the study conducted by Pasaribu et al. (2023), which explains that a progressive strategy formed in Quadrant I utilizes existing opportunities by using the strengths owned.

CLOSING

Conclusion

Based on the research conducted on the small and medium industry "Suka Maju" for Lu'at chili sauce products, the conclusions that can be drawn are as follows:

1. The SWOT analysis results show that the industry is in a relatively favorable position because it has internal strengths in the form of distinctive local product quality, unique taste, and consumer loyalty. External opportunities that support the business include the increasing market interest in local food products and government support for UMKM development. However, the industry still faces several weaknesses, such as limited production technology, suboptimal organizational management, digital marketing that has not been fully utilized, and a bookkeeping system that remains manual. In addition, there are threats in the form of competition from similar products and fluctuations in raw material prices.
2. Based on the SWOT matrix, the appropriate management decision-making strategy for the "Suka Maju" Home Industry is to utilize existing strengths and opportunities (SO strategy) while continuing to improve internal weaknesses in order to face external threats sustainably.

Suggestions

Based on the conclusions, the following suggestions are obtained:

1. Improvement of the financial recording and bookkeeping system

Considering that the bookkeeping system used is still simple and does not yet accurately reflect costs, it is recommended that the "Suka Maju" industry begin applying a more systematic basic accounting system. This will help produce accurate financial reports, facilitate business performance evaluation, and support more appropriate decision-making.

2. Development of marketing strategies

To increase sales volume and expand the market, more active marketing strategies are needed, such as promotion through social media, online sales, and cooperation with souvenir shops or local UMKM. Utilizing the uniqueness of Lu'at chili sauce as a regional specialty product can also become a distinct selling point.

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