

# STRATEGIES FOR EMPOWERING MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN AN EFFORT TO IMPROVE BUSINESS PERFORMANCE: A CASE STUDY OF HANDICRAFT CRAFTSMEN IN WEST BANDUNG REGENCY

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## ABSTRACT

*Handicraft SMEs in West Bandung Regency are faced with problems including limited investment capital, difficulty of raw materials with quality and affordable prices, limited technology, human resources, production, and marketing. The method used in this research is a qualitative research method, with a case study approach. Data collection techniques were obtained from literature studies, field observations, interviews, and document studies. The technique of analyzing the data collected is then carried out using a coding process and analyzed through the stages, namely reduction, data display, and conclusion drawing/verification. Based on the results of research and discussion of the performance of MSMEs, it is felt that they are still not optimal. Based on the strategic position map in strengthening the empowerment of MSMEs/handicraft craftsmen, they are in a favorable condition and have opportunities so that the strength of MSME empowerment needs proactive action. In addition, if using the Internal External matrix, the empowerment strategy in the West Bandung Regency area is in a moderately attractive industry, so that the strategy implemented needs consolidation.*

**Keywords:** Empowerment, MSMEs, Business Improvement and Performance.

## INTRODUCTION

The role of Micro, Small and Medium Enterprises (MSMEs) in the national economy is quite large. This number reached 99.9 percent and based on data from the Central Statistics Agency (BPS), the achievement of the number of MSME workers in 2018 reached 97% of the total national workforce accompanied by the number of units reaching 60 million units. Rahayu Ning (2019). Small and Medium Enterprises (SMEs) play a crucial role towards achieving industrial and economic development objectives of an economy. While their diverse nature makes their actual contribution to the economy somewhat different, SMEs play an important role in employment creation (Muriungi, 2012). MSMEs play a good role in encouraging the rate of economic growth and as a poverty alleviation program as well as employment. MSMEs are a form of community small business whose establishment is based on a person's initiative. Most people think that MSMEs only use certain parties. In fact, MSMEs play a very important role in reducing the unemployment rate in Indonesia. (Supriyanto D, et al, 2019) MSMEs can absorb a lot of workers who are still unemployed, besides that they also take advantage of various potential natural resources in an area that has not been processed properly commercial (Budi, 2011). According to Tambunan (2012), there are 2 factors that weaken competitiveness, namely internal factors and external factors. External, namely infrastructure, policies, fees, market access, marketing systems and

institutions. So there needs to be an empowerment strategy that can overcome the problems faced. A sustainable strategic step is taken by empowering this because the essence of empowerment, especially the people's economy, is to empower MSMEs, cooperatives, and community groups to be independent in the economic field. (Ni Nyoman Sunariani et al: 2017). Community empowerment not only develops the people's economic potential, but also increases their dignity, self-confidence and self-esteem, and maintains the order of local cultural values. Empowerment as a socio-cultural concept that is implemented in people-centered development not only grows and develops economic added value, but also social and cultural added value (Udiansyah et al, 2014). Empowerment, similar to development as a whole is also contested and affected by different conceptualizations of development. It may be circumscribed to mean a change in one's economic conditions (Hegeman RG-Davis, 2013).

Chapter II Article 5 of Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs). The objectives of empowering Micro, Small and Medium Enterprises:

1. Realizing a balanced, developing and just national economic structure
2. Grow and develop the ability of Micro, Small and Medium Enterprises to become a strong and independent business
3. Increasing the role of Micro, Small and Medium Enterprises in regional development, job creation, income distribution, economic growth and alleviating people from poverty.

Based on PERBUP No. 57 of 2017 concerning Implementation Regulations of West Bandung Regency Regulation Number 5 of 2016 concerning Empowerment of Micro Enterprises. Based on the policy regulated in Article 9 Paragraph 2, there is a need for Guidance and Supervision by the Service as carried out in paragraph 1 including a). Data collection and data management of micro enterprises, b). Access to capital facilities, c) Institutional strengthening). Guidance and technical guidance assistance and e) Develop partnerships with the business world. West Bandung Regency is one of the regencies in West Java that has economic potential. It can be seen from the number of industries in West Bandung Regency that continues to increase. The industrial sector in West Bandung Regency makes a major contribution to economic activity, one of which is to play a role in overcoming labor problems as can be seen in the following table:

Number of Industries	2018		2019	
	Business Unit	Workforce (People)	Business Unit	Workforce (People)
Small	73	565	80	619
Intermediate	30	1018	80	3573
Big	24	6948	32	5774

Source: *Cooperative and MSME Office of West Bandung Regency*

The data in Table 1.1., is data on developments that occurred from 2018 to 2019. The continued development of MSMEs in West Bandung Regency, but also cannot be separated from the problems faced. Currently, MSMEs in West Bandung Regency are facing problems including limited working capital or investment capital, difficulty in obtaining raw materials with quality and affordable prices, limited technology, good quality human resources, especially management and production technicians, information especially about the market and difficulties in marketing (Including distribution management and technicians). The problem faced in marketing is the existence of competitive pressures both domestically from similar products made at home and abroad. The problems faced by MSMEs will certainly

affect the performance of MSMEs. However, to improve the performance of MSMEs, various efforts have been made by the government to overcome the problems faced by MSMEs. According to Mayo who was cited by Wahyuningrum (2014), so far the increase in performance is mostly associated with physical resources (tangible assets). The company's performance improvement from a physical and financial perspective is very accurate, but actually what drives the value from both perspectives is the ability of human resources (intangible assets). The purpose of this study was to analyze the condition of MSME Empowerment in Handicraft Businesses in West Bandung Regency, analyze what factors hinder and encourage the implementation of MSME Empowerment Strategies in Handicraft Businesses in West Bandung Regency. Analyzing the Performance Improvement of Handicraft MSMEs in West Bandung Regency and analyzing Empowerment Strategies in an Effort to Improve the Performance of Handicraft MSMEs in West Bandung Regency.

## METHODS

The research method used is a qualitative method, according to Sugiyono (2015: 24) qualitative method: Defined as a research method based on the philosophy of postpositivism, used to examine the condition of natural objects, (as opposed to an experiment) where the researcher is the key instrument, the technique data collection is done by triangulation (combined), data analysis is inductive/qualitative and qualitative research results emphasize meaning rather than generalization. In this qualitative research, the research approach used is a case study. According to Rully Indrawan (2017: 71) "Case Study is an in-depth exploration of a bound system. It can also be activities, events, processes or individuals based on extensive data collection. The SWOT Matrix is used to systematically improve the strategy by considering the relationship between strengths, weaknesses, opportunities and threats. The consequences of internal and external factors can be replaced in a matrix called the SWOT matrix (Liani, 2019).

<b>Tabel 2 Matrik SWOT</b>		
<b>IFAS</b>	<b>Strength (S)</b> Determine the factors of the company's external strength.	<b>Weakness (W)</b> Determine the company's internal weaknesses.
<b>EFAS</b>	<b>Strategi SO</b> Create strategies that use power to capitalize on opportunities.	<b>Strategi WO</b> Create strategies that minimize weaknesses to take advantage of opportunities.
<b>Threat (S)</b> Factors of corporate threat.	<b>Strategi ST</b> Create strategies that use the power to overcome threats.	<b>Strategi WT</b> Create strategies that minimize weaknesses to address threats.

## RESULT AND DISCUSSION

Based on the results of observations, interviews related to the MSME empowerment strategy, the research results obtained that related to the condition of the MSME empowerment strategy in West Bandung Regency with a fairly wide area, the government, in this case the KUKM Service has implemented empowerment related to:

### Empowerment Strategy

### Settlement

1. Based on the potential, where West Bandung Regency has a fairly large area and the potential of MSMEs is quite potential, then the government in this case the KUKM Office has carried out empowerment in the form of training, socialization and mentoring and other activities in efforts to increase business, this is also conveyed by several craftsmen.
2. That structural in West Bandung Regency has carried out empowerment activities up to the village level. It is also felt by craftsmen, but craftsmen state that many of the perceived obstacles are related to structural.

### **Strengthening**

1. The government or in this case the KUKM Office has provided knowledge in an effort to improve the business run by artisans. Similarly, delivered by craftsmen, but not all craftsmen state the same related to knowledge because some of the craftsmen do not get knowledge that comes from the KUKM Office but obtained from themselves based on experience or from other parties (Higher Education, CSR, Media, and Community).
2. Most of the capabilities possessed by handicraft craftsmen in West Bandung Regency in addition to obtained from the government or in this case the KUKM Office also comes from itself.
3. Handicraft craftsmen who are in the west Bandung regency stated that the business he runs comes from self-reliance or coming from himself.
4. Confidence is part of the business that is run that needs to be owned by craftsmen in efforts to increase their business.

### **Protection**

1. With regard to the competition of craftsmen states that there is no competition between craftsmen. Competition here is actually considered positive or in this case the craftsman states that artisans with the same product are considered partners.
2. Handicraft craftsmen in West Bandung Regency the business he runs feels not exploited, because the products produced are unique products that are difficult to imitate.
3. Related to discrimination some craftsmen feel discriminated because some craftsmen never get facilitation from the government.
4. Those handicraft craftsmen who are in the West Bandung Regency area feel there is no dominance.

### **Support**

1. The government has been doing the strengthening to the craftsmen. Activities carried out in the form of training, bintek. However, the craftsman stated that the activity was only limited to the obligation of no follow-up.
2. The role and duties carried out by the government towards the craftsmen have been carried out. But not all roles and tasks are felt by craftsmen who are in the West Bandung Regency area. Because the government in this case the KUKM Office is related to craftsmen or MSMEs many are not accommodated.

### **Maintenance**

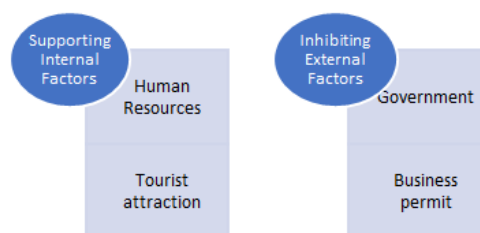
1. The government is still not entirely able to help the craftsmen in the West Bandung Regency area. Because not all get help from the government. In fact, the business has been running for a long time, but has not yet received government assistance.
2. The balance that occurs in handicraft craftsmen in the West Bandung Regency area is still felt to be less balanced. This is because the activities that are devoted to obtaining facilities are always the same craftsmen or that's all.
3. Alignment that occurs between craftsmen and the government, in this case the KUKM Service. It is still felt less aligned, because the activities carried out have no continuation. Here, the government only loses its obligations.

## Factors that inhibit and encourage the implementation of empowerment strategies to improve the performance of MSMEs in West Bandung Regency

### Inhibiting Internal Factors

Wawan Dwanto (2019) "MSMEs, especially those that enter the global market, of course have several obstacles that come from within the business being run (internally) including human resources, products, technology, information, networking and marketing".

- a) Business Management
- b) Bookkeeping/financial management
- c) Marketing
- d) Production
- e) Organization
- f) Technology



**FIGURE 1**  
**INTERNAL AND EXTERNAL FACTORS**

However, based on field conditions, it was found that they had difficulties in obtaining permits. According to him, craftsmen are lazy to do licensing because it is complicated. This is in accordance with what was conveyed by Mukti (2016) "The legality factor which is one of the obstacles to the progress of MSMEs has also received attention from the government. The government seeks to simplify the procedures and types of business licensing with a one-stop integrated service system and seeks to provide exemption from licensing fees for micro businesses and provide relief from licensing fees for small businesses.



**FIGURE 2**  
**SUPPORTING FACTORS**

## **Improving the Performance of Micro, Small and Medium Enterprises in West Bandung Regency**

### **High Sales Growth Sales Volume in Units**

The craftsmen in the West Bandung Regency area, in terms of sales volume per unit, experienced different sales. This depends on the product offered. For example, sales of handicraft products always experience sales per unit which always increases every time. However, faced with the condition of covid, all sales have decreased.

### **Sales Volume in Rupiah**

Handicraft craftsmen who are in the West Bandung Regency area for unit sales and rupiah experienced are different. There are craftsmen who experience sales up, stable and even down. However, currently experienced by craftsmen during the Covid pandemic, sales are almost felt by all craftsmen, both in units and rupiah. Regarding the customer, for each craftsman it also depends on the craftsman. There are craftsmen whose customers always increase but there are also those who decrease. This is because, every craftsman has different consumers. Usually there is an increase in water hyacinth craftsmen from time to time and even customers continue to increase, as well as bamboo crafts and miniature animal crafts and miniature musical instrument frames. But there are also craftsmen who do not have to look for consumers because demand depends on the number of collectors' orders. As for silhouette craftsmen, customers can come from various circles but return to silhouette craftsmen to always be aggressive.

### **Fulfillment of Sales Target**

Not all handicraft craftsmen in West Bandung Regency meet the sales target. As explained in the sales per unit and rupiah as well as the number of customers. If the increase in these three aspects increases, the target will automatically increase as well. This is felt by the craftsmen of water hyacinth and miniature animals. The craftsman, in fact, exceeded the sales target. However, this actually backfired for the craftsmen because they could not fulfill orders. This deviation often occurs in craftsmen, because in one year the demand for the product is not always there. So only in certain months there is an increase. So seeing this condition, that sales that occur in craftsmen are not always stable. But there are also those whose sales are stable every month. Seeing the different conditions experienced by every craftsman in West Bandung Regency, the deviations that occur with sales must be experienced by craftsmen. This is because the demand that occurs every month is not stable. Except for sales which are stable every month.

### **Expand Marketing Reach**

Handicraft craftsmen located in the West Bandung Regency area, most of their marketing has been exported. Some that have export markets include craftsmen for miniature animals, miniature frames for musical instruments, water hyacinth, and bamboo crafts. Even some domestic markets exist, almost part of the territory in Indonesia. Then for the local area also almost in some. Especially for the West Bandung district which is the target of marketing is a tourist spot. Such as *Tangkuban Perahu*, *Plooting Market*, *Bamboo Village* and others. The profit generated by craftsmen with different products and different sales and reach will greatly affects profits. The profit generated by the craftsmen does not always increase, or in this case the craftsmen are sometimes stable, some even experience losses in

their sales. Craftsmen who have experienced this loss are experienced by silhouette craftsmen. This was conveyed in the research of Hanggraeni et al. (2017) and Sidiq et al. (2021) "The internal and external strength factors of MSMEs have been proven to positively affect performance. This result can be an important note for MSMEs in managing their internal factors such as management, marketing, and technical organizations that can improve MSME performance with efforts such as production efficiency, employee management, and product marketing. Second, business competition factors in the category of external factors also affect the performance of MSMEs in capturing market share and high levels of profitability. If these factors are improved, this will improve the performance of MSMEs in their position in the market and their ability to generate profits. Therefore, MSMEs are expected to be able to maintain their sustainability in the long term.

### MSME Empowerment Strategy in Efforts to Improve Business Performance in West Bandung Regency

No	TOWS	Description
1.	<i>(Threats)</i>	<ol style="list-style-type: none"> <li>1) Household handicraft products are replaced by modern products (competitors)</li> <li>2) Unstable economic conditions, such as the Covid-19 condition, have made handicraft businesses threatened, some have shifted</li> <li>3) There are collectors who argue that they are craftsmen</li> <li>4) There are newcomers</li> <li>5) There are newcomers with more knowledge</li> <li>6) Manipulation on the part of exporters, especially cost problem</li> </ol>
2.	<i>(Opportunity)</i>	<ol style="list-style-type: none"> <li>1) High domestic and foreign product demand (export)</li> <li>2) Abundant raw materials</li> <li>3) Creating jobs</li> <li>4) Added value for the surrounding community</li> <li>5) Part of West Bandung Regency is a tourist area</li> <li>6) The government facilitates the expo, to introduce handicraft products in the West Bandung Regency area and in several regions in Indonesia and abroad</li> </ol>
3.	<i>(Weakness)</i>	<ol style="list-style-type: none"> <li>1) Human Resources are seen (Manpower) who are less interested in working in MSMEs</li> <li>2) High demand but limited Capital</li> <li>3) Does not have a clear organizational structure</li> <li>4) All business activities are self-managed</li> <li>5) No next generation</li> <li>6) Production is very simple</li> <li>7) No financial records</li> <li>8) The quality of the resulting product is less than the maximum</li> <li>9) The number of products produced Quantity is limited</li> <li>10) Don't understand hi Technology</li> </ol>
4.	<i>(Strength)</i>	<ol style="list-style-type: none"> <li>1) The resulting product is unique</li> <li>2) Hand Made, Products are made by hand, while the machine is only a tool.</li> <li>3) Difficult to imitate, The resulting product is difficult to imitate by others, because to make a product one must be diligent and patient.</li> </ol>

		4) Innovative and creative products 5) Not dependent on the government (Independent) 6) People in West Bandung Regency are creative by utilizing existing natural resources.
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Based on the table above, the descriptions relating to threats (T) and opportunities (O), then the threats and opportunities in question, are then given a weight and rated so that the threat factors and opportunities for the MSME empowerment strategy are in accordance with the conditions in the field and at the same time the magnitude is intended to determine quadrant quantity. Based on this description, it is known its strategic location, also determines the position between or analysis TOWS cells. To find out the External strategy factors with weights, ratings and scores from threats (T) and to find out External strategy factors with weights, ratings and scores from opportunities (O), for more details can be seen in the following table:

No	Opportunity	Weight	Rating	Score
1.	High product demand at home and abroad (exports)	0,074	4	0,296
2.	Abundant raw materials	0,074	3	0,222
3.	Creating jobs	0,11	4	0,44
4.	Added value to the surrounding community	0,11	4	0,44
5.	Part of the West Bandung Regency area is a tourist area	0,074	3	0,222
6.	The government facilitates the expo, to introduce handicraft products in the West Bandung Regency area and in several regions in Indonesia and abroad	0,074	3	0,222
		0,52		1,842
No	Opportunity	Weight	Rating	Score
1	Household handicraft products are replaced by modern products (competitors)	0,11	1	0,11
2	Unstable economic conditions, such as the Covid-19 condition, have made handicraft businesses threatened, some have shifted	0,074	2	0,148
3	There are collectors who argue that they are craftsmen	0,074	3	0,222
4	There are newcomers who are more creative and innovative	0,074	2	0,148
5	There are newcomers with more knowledge	0,074	3	0,222
6	Manipulation by the exporter, especially the problem of costs	0,074	2	0,148
		0,48		0,998
		1		2,84

From the table above, the External factor of MSME Empowerment obtained from the threat/challenge factor (T) and also the opportunity factor (O) it turns out that the total threat score is 0.998 while on the opportunity (O) the total score is 1.842. The x-axis quadrant value is 2.84. To find out the internal factors that affect the empowerment of MSMEs, namely the strengths (S) and weaknesses (W) which are also given weights, ratings and are aligned with the conditions in the field which are tabulated as listed in the following table:

No	Opportunity	Weight	Rating	Score
1.	Unique products	0,085	4	0,34
2.	Hand Made, Products are made by hand, while	0,085	4	0,34



	the machine is only a tool.			
3.	Difficult to imitate, The resulting product is difficult to imitate by others, because to make a product one must be diligent and patient.	0,05	4	0,2
4.	Creative and Innovative Products	0,05	3	0,1
5.	Not dependent on the government (Independent)	0,05	3	0,1
6.	Communities in the West Bandung Regency are Creative by utilizing existing natural resources.	0,05	4	0,2
		0,37		1,28
<b>No</b>	<b>Opportunity</b>	<b>Weight</b>	<b>Rating</b>	<b>Score</b>
1	Human Resources are seen (Manpower) who are less interested in working in MSMEs	0,08	1	0,08
2	High demand but limited capital	0,08	1,5	0,12
3	Does not have a clear organizational structure	0,08	2	0,16
4	All business activities are self-managed	0,05	2	0,16
5	There is no next generation	0,065	1,5	0,098
6	Production is very simple	0,05	2	0,16
7	Never do financial records	0,065	1,5	0,098
8	The quality of the resulting product is not optimal	0,05	2,5	0,125
9	The number of products produced is limited	0,05	2	0,16
10	Don't understand technology	0,05	1,5	0,075
		0,63		1,236
		1		2,516

Based on the results of the TOWS IFAS and EFAS analysis, the final value of internal and external factors or factors of strength, weakness, opportunity and threat is obtained as in the following table:

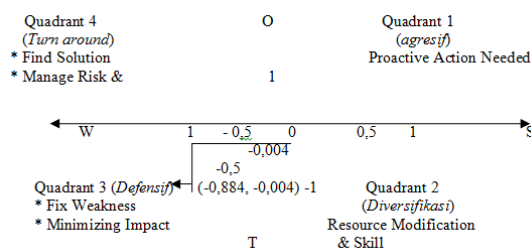
No	Description	Total value
1	External Factors	0,998
	1. Threats 2. Opportunity	1,842
2	Internal Factors	1.236
	1. Weakness 2. Strengths	1,280

Based on the table, it can be seen that the results of the strength score are greater than the weaknesses, as well as the opportunity score is greater than the threat score.

$$\text{Threats - Opportunity} = 0.998 - 1.842 = -0.844$$

$$\text{Weakness - Strength} = 1.236 - 1.280 = -0.044$$

For more details can be seen in the following curve.



**FIGURE 3**  
**TOWS ANALYSIS CHART/STRATEGIC POSITION MAP**

If interpreted from the TOWS results, it means that strengthening the empowerment of MSMEs is in a condition where the company faces huge market opportunities, but on the other hand experiences several internal constraints/weaknesses. Focus strategy by minimizing the company's internal problems so as to seize better market opportunities. Then if you are in quadrant 3, you should implement a strategy that supports empowerment policies. When the results of the analysis are in quadrant 3 (TW), the weakness of the existing UMKM empowerment needs defensive action from all elements that support empowerment in an effort to improve the business performance of craftsmen in the West Bandung Regency area, lest the capacity and potential of craftsmen are not accommodated and involved in implementation of the creative economy.

Table 7 EMPOWERMENT STRATEGY BASED ON INTERACTION BETWEEN EXTERNAL AND INTERNAL FACTORS		
	OPPORTUNITY (O)	THREAT (T)
<p><b>Factor External</b></p> <p><b>Internal factors</b></p>	<ol style="list-style-type: none"> <li>High product demand at home and abroad (export)</li> <li>Abundant raw materials</li> <li>Creating jobs</li> <li>Added value to the surrounding community</li> <li>Part of West Bandung Regency is a tourist area</li> <li>The government facilitates the expo, to introduce handicraft products in the West Bandung Regency area and in several regions in Indonesia and abroad</li> </ol>	<ol style="list-style-type: none"> <li>Household handicraft products are replaced by modern products (competitors)</li> <li>Unstable economic conditions, such as the Covid-19 condition, have threatened the craft business, some have switched</li> <li>There are collectors who argue that they are craftsmen</li> <li>There are newcomers</li> <li>There are newcomers with more knowledge</li> <li>Manipulation on the part of exporters, especially the issue of costs</li> </ol>
<b>Strength (S)</b>	<b>Strategy (SO)</b>	<b>Strategy (ST)</b>
<ol style="list-style-type: none"> <li>The resulting product is unique'</li> <li>Handmade, the product is produced by hand, while the machine is only as a tool</li> <li>Difficult to imitate, the resulting product is difficult to imitate by others, because to make a product one must be diligent and patient.</li> <li>Not Dependent on the</li> </ol>	<ol style="list-style-type: none"> <li>Increasing the products produced so that the demand for products will always increase both at home and abroad.</li> <li>Improving products that are made by hand, so that they can create jobs</li> <li>Have independence so that it can provide added value to the surrounding community</li> </ol>	<ol style="list-style-type: none"> <li>Improving products that can produce household products that cannot be replaced with modern products.</li> <li>Improving more innovative products to cope with economic conditions</li> <li>Creating hand-made products that can solve the problem of economic conditions</li> </ol>

<p>Government (Independent)</p> <p>5. Products produced are creative and innovative</p> <p>6. People in West Bandung Regency are creative by utilizing existing natural resources.</p>	<p>4. Utilizing a creative community with the availability of abundant raw materials.</p> <p>5. Have the ability to manufacture products that are difficult for others to imitate because it requires perseverance and patience so that the product has quality and can be introduced at exhibitions/exports</p>	<p>4. Creating products that are difficult to imitate with characteristics to overcome new entrants.</p>
<p><b>Weakness (W)</b></p> <p>1) Human Resources are seen (Manpower) who are less interested in working in MSMEs</p> <p>2) High demand but limited Capital</p> <p>3) Does not have a clear organizational structure</p> <p>4) All business activities are self-managed</p> <p>5) No next generation</p> <p>6) Production is very simple</p> <p>7) No financial records</p> <p>8) The quality of the resulting product is less than the maximum</p> <p>9) The number of products produced Quantity is limited</p> <p>10) Don't understand hi Technology</p>	<p><b>Strategy (WO)</b></p> <p>1. Increase the interest of Human Resources (community) to work in MSMEs because the demand for products both at home and abroad is high</p> <p>2. Maximize limited capital to be able to meet the demand for domestic and foreign products.</p> <p>3. Build infrastructure both physical and non-physical to make the West Bandung Regency area a souvenir culinary tourism area.</p> <p>4. Increase the quantity of products by utilizing abundant raw materials.</p> <p>6. Increase understanding to the next generation to provide added value</p> <p>7. Procurement of UPT (Technical Service Unit) to be able to meet domestic and foreign demand</p> <p>8. Improving Technology as a means to be able to meet domestic and foreign demand</p>	<p><b>Strategy (WT)</b></p> <p>1. Improving human resources so that household products are not replaced by more modern products (competitors)</p> <p>2. Optimizing physical and non-physical infrastructure to overcome economic conditions so that the craft business remains consistent</p> <p>3. Optimizing product quality to anticipate entrants</p> <p>4. Facilitate licensing and intellectual property rights to deal with collectors on behalf of their products.</p> <p>5. Improve understanding of finance, marketing, technology, product quality and production with the presence of new entrants with more knowledge</p> <p>6. Facilitating non-physical infrastructure in the form of understanding export-import to overcome the manipulation of cost issues.</p>

Based on the position of the MSME Empowerment Strategy in Efforts to Improve Business Performance in the West Bandung Regency Region, namely in quadrant I which has a great opportunity for the realization of MSME Empowerment but has internal constraints/weaknesses that must be overcome, thus requiring a strategy to minimize these weaknesses and take advantage of opportunities (WO strategy) with the following strategic priorities:

1. Increase the interest of Human Resources (community) to work in MSMEs because the demand for products both at home and abroad is high. Based on this, the existence of MSMEs is a job opportunity for the community to be involved in available jobs. Where MSMEs, which in this case are handicrafts with domestic and foreign markets, really need manpower (HR) to be able to meet demand.
2. Optimizing physical and non-physical infrastructure to overcome economic conditions so that the craft business remains consistent. Physical infrastructure that can be facilitated to overcome economic conditions, which in this case the Covid condition requires digital media to be able to access the business being run. As well as non-physical infrastructure, in the form of knowledge as a supporter of physical infrastructure.

## CONCLUSION

Based on the results of research and discussion, it can be concluded as follows:

The condition of MSME Empowerment in an Effort to Improve Performance in West Bandung Regency, which is related to settlement, strengthening, protection, support and maintenance has not been fully implemented by the West Bandung Regency government. This can be seen by the lack of funding and geographical location so that empowerment activities have not been fully affordable by the government and enjoyed by craftsmen in West Bandung Regency. In addition, the West Bandung Regency government has also carried out various empowerment activities, namely in the form of training, technical guidance and assistance on business management. However, in its implementation there are still inhibiting factors, both internal business management (Human Resources, bookkeeping/financial management, marketing, organization, technology) and external factors (business permits, lack of training, no government touch, rarely visits, coordination between agencies, database, limited information, infrastructure) and external driving factors such as where resources still have the desire to continue to advance and develop. So this has resulted in an increase in the performance of SMEs or craftsmen in West Bandung Regency, both increasing different sales, marketing reach is still limited. Unstable income so that it has an impact on the profit he earns every month. Based on the results of TOWS analysis, the Strategy for Empowering Micro, Small and Medium Enterprises (MSMEs) in an effort to Improve Business Performance in West Bandung Regency is in quadrant 3 (WT), the weaknesses and threats of empowering MSMEs that currently need defensive action and on the internal external matrix are located in quadrant V, namely Growth and stability, meaning that the condition of handicraft craftsmen in the West Bandung Regency area is in a moderate attractive industry, the strategy applied is consolidation. The goal is relatively more defensive, which is to avoid losing sales and losing profits. Businesses in this quadrant can expand markets, production facilities, and technology through internal and external developments through acquisitions or collaborations with other businesses.

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