

Development Strategy of Village-Owned Enterprises (BUMDes) Case Study at BUMDes Amanah Rakyat Wonoharjo Village, Girimulya District

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ABSTRACT

This study aims to determine alternative strategies in the development of Amanah Rakyat BUMDes by identifying internal factors and external factors that can affect Amanah Rakyat BUMDes. The method used is descriptive with a sampling technique, namely purposive sampling. The data collection technique used was through interviews with the management of bumdes and the people of Wonoharjo Village. The business development strategy of BUMDes Amanah Rakyat is obtained from the results of SWOT analysis which is prepared using the SWOT matrix. The results of this analysis are sourced from the Strength and Treath Strategy, namely Optimizing facilities and infrastructure to improve good services, developing businesses that are run so as not to be left with competitors, ensuring continuity of business fields that are being run.

INTRODUCTION

Development in rural areas is one of the important factors to support the success of the village economy such as creating jobs for the community and increasing the village's original income. The success of village development depends on choosing the goals to be achieved. The implementation of village development should receive more attention from various business units of development organizers. In terms of achieving goals, elements supporting the effectiveness of development implementation not only include consideration of goals but also mechanisms or ways of managing existing resources. (Trivena, 2020).

The goal of BUMDes is to organize community economic activities in the form of professionally managed institutions and business units while preserving the village's original potential. BUMDes is a program designed to enhance the village economy based on the needs of the community and village potential. Its management is conducted entirely by, from, and for the village community.

Village-Owned Enterprises are organizations in which the village directly participates in the ownership of all or most of the capital through the management of assets, services, and other initiatives for the maximum benefit of the village administration and the community. This capital is derived from separate village wealth. The Republic of Indonesia Government Regulation Number 43 of 2014 concerning the Implementation Regulations of Law Number 6 of 2014 addressing villages in article 1 number 7 serves as the basis for this information.

The purpose of BUMDes is to improve the economic welfare of residents through the development of economic businesses of rural communities in accordance with the potential of their respective villages. BUMDes in each region vary according to the potential contained in the village itself, so the type of business run is also different.

Community efforts in building this program can make the program more productive and effective, so that in the future BUMDes can develop community economic activities in accordance with the development potential and characteristics of the village. It is hoped that the organization will be able to become something that can later improve the welfare of the village community. There are numerous villages with BUMDes; some are autonomous in fostering the economic potential of the communities that already exist, while others get support from the local government. Economic progress in a district can be achieved with the intervention of the rural economy that will provide welfare for the wider community.

North Bengkulu Regency is a regency in Bengkulu province located on the West Coast of Sumatra island with its capital city Arga Makmur. Before the expansion, North Bengkulu regency had an area of 9,585.24 km². After being developed, North Bengkulu has an area of 4,424.60 km² consisting of 19 districts, 5 ward, and 215 villages.

Table 1. The number of BUMDes in North Bengkulu Regency from 2017-2022

Year	Units
2017	116

2018	124
2019	127
2020	133
2021	144
2022	146

Data source: data.bengkuluutarakab.go.id

Based on data sources obtained from the official website of the North Bengkulu district government, the number of BUMDes in North Bengkulu has increased every year. Village-Owned Enterprises located in Wonoharjo Village, namely BUMDes Amanah Rakyat is a village-owned enterprise whose establishment was initiated by Wonoharjo Village Regulation Number 6 of 2017 and Bumdesa registration number 1703082003-1-029058. The management of Village-Owned Enterprises run by the village government has a developed type of business, namely a tent rental business and party equipment with an initial capital of Rp180,000,000, -. The establishment of Village-Owned Enterprises in Wonoharjo Village requires the right strategy from internal and external factors to optimize the role of BUMDES in increasing village income.

LITERATURE REVIEW

Strategy is a model of key objectives and policies and plans to achieve those goals. The strategy is structured in such a way that you can decide what you want (Anthony in Elhamma, 2013). The word strategy comes from the Greek word *strategos* where the word is a combination of the word *stratos* or which means army and also *ego* which means leader. A strategy has a basis or scheme to achieve a target to be targeted. So therefore, basically this strategy is a tool to achieve a goal. Strategy is an art of using skills as well as resources from an organization to achieve a goal through its effective relationship with the environment where it is in the most favorable conditions (Sesra Budio, 2019).

According to Mathis, development is a series of efforts to improve management performance both now and in the future by providing knowledge, changing attitudes, or improving skills. The development process involves individuals who are willing to take on greater or different responsibilities within a company, organization, institution, or agency. Development tends to be more formal and is related to anticipating an individual's abilities and expertise for future positions. Development goals and programs include increasing the ability of individuals to anticipate change, both those that occur without a plan (unplanned change) and planned (planned change). (Sri Larasati, 2018).

Village-Owned Enterprises (BUMDes) are village-level commercial institutions established by villages, managed by communities and village governments, and organized according to the needs and potential of villages to improve the village economy. BUMDes is one of the economic institutions operating in rural areas and must be different from economic institutions in general. The goal is that the existence and operation of BUMDes can provide

changes that improve community welfare. Permendagri No. 39 of 2010 defines BUMDes as village enterprises created or founded by village governments, with communities and village governments handling capital ownership and management. 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. The establishment of BUMDes as village economic institutions is a concrete example of the government's role as an agent that seeks to advance welfare by encouraging economic productivity at the village level.

Village-Owned Enterprises are defined as entities whose entire or most capital is owned by the village through direct participation derived from separated village wealth to manage assets, services, and other efforts for the greatest welfare of the village government and the community. This information is based on the Government Regulation of the Republic of Indonesia Number 43 of 2014 concerning the Implementation Regulations of Law Number 6 of 2014 concerning villages in article 1 number 7. The purpose of BUMDes is to improve the economic welfare of residents through the development of economic businesses of rural communities in accordance with the potential of their respective villages. BUMDes in each region vary according to the potential contained in the village itself, so the type of business run is also different.

The main purpose of establishing BUMDes is to increase Village Original Income (PADes) to strengthen the economy at the village level. As a village-based business entity, BUMDes aims to optimize the economic potential, natural resources (SDA), and human resources (HR) owned by rural communities. In achieving this target, BUMDes operate their businesses by utilizing existing assets and potentials in the village, as well as obtaining capital from village participation. With its existence, it is expected that BUMDes will be able to contribute in increasing village income and strengthening the village economy (Atmojo, Singgih Tri and Kris Hendeujianto. 2015).

When formulating a plan of action or conducting an issue analysis, we frequently map out various surrounding aspects one by one. We will eventually identify the best strategy and a way to address the issues we have by mapping the things that result from these plans and challenges. If we can identify the proper path for problem analysis, it will be easier to design a strategy or analyze a problem—especially in the business world. The use of strategic planning methods and appropriate problem solving will make it easier for us to solve the problems we face. One of the best ways we can use is to utilize the methods provided through a series of stages in the analysis of Strength, Weakness, Opportunities, Threat (SWOT).

The acronym SWOT analysis is created from the names of the four components of this analytical method: threats, which are threats, opportunities, which are opportunities, and weakness, which is weakness. Thus, we can interpret SWOT analysis as a strategic planning technique in analyzing a profit-oriented and non-profit organization with the main aim of knowing the state of the organization comprehensively (Fahmi, 2013). This method emphasizes the importance of the role of internal and external factors in order to develop strategies for planning ideas and solving problems effectively. In simple terms,

we can mean that SWOT analysis is a method of planning a strategy by considering and evaluating 4 main components, namely:

1. Strengths: The first component in SWOT analysis is strengths or we can interpret them as strengths. From here we can see how far the factors are strengths in the business or project we are working on.
2. Weakness: The second component in SWOT analysis is weakness or we can interpret it as weakness. From here we can see how far the factors are weaknesses in the business or project we are working on.
3. Opportunities: The third component in SWOT analysis is opportunities or we can interpret them as opportunities. From here we can see how far the factors are opportunities in the business or project we are working on.
4. Threats: The fourth component in SWOT analysis is threats or we can interpret them as threats. From here we can see how far the factors that pose a threat in the business or project we are working on.

The objectives of SWOT Analysis are:

1. Easy Mapping of Important Factors
By using SWOT analysis, you can find out what internal factors the company has, such as strengths and weaknesses, as well as external factors that are outside the company, such as opportunities and threats.
2. Predicting Various Problems That May Arise
By knowing the potential triggers of problems from the SWOT analysis which can be in the form of shortcomings or threats, you can be more observant in seeing possible problems that will come in the future.
3. Knowing the Company's Position in the Middle of the Competition Vortex
The SWOT analysis method that pays close attention to how a plan is prepared based on consideration of strengths, weaknesses, opportunities, and threats is not only useful for seeing the company's position, but also for seeing competing companies in the market.
4. Providing Opportunities for Companies to Grow Faster
The use of the right and maximum SWOT analysis can make it easier to get the maximum possible opportunity to develop the company.
5. Simplify Decision Making
In the end, according to its function which is used for strategic planning and problem-solving purposes, SWOT analysis can make it easier to make important decisions during business in the company.

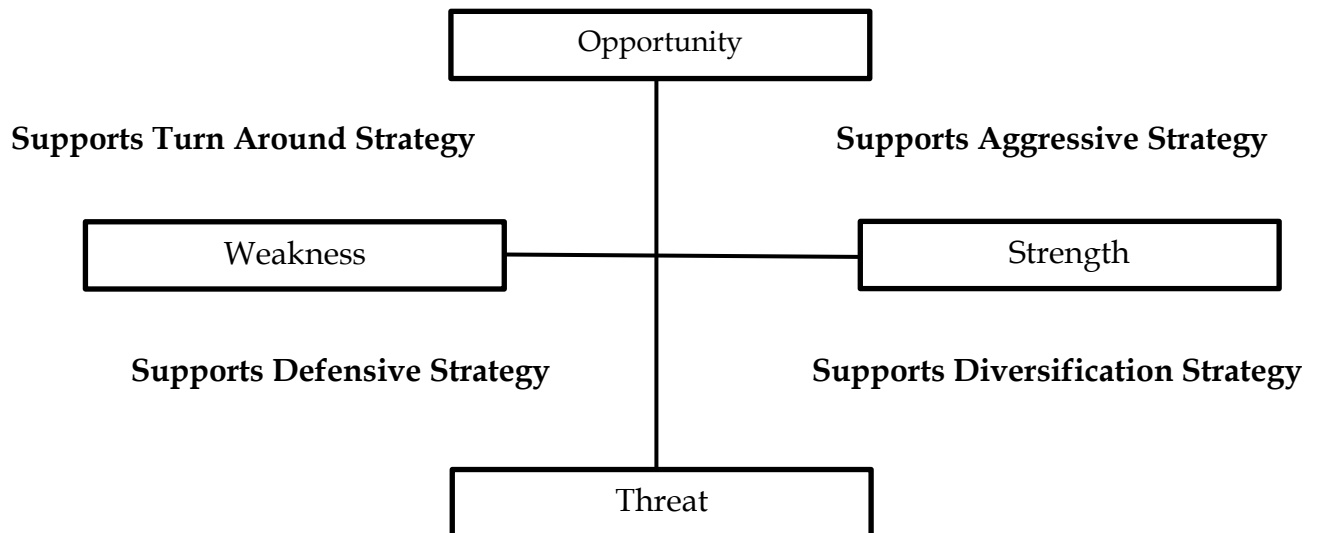


Figure 1. SWOT Analysis

METHODOLOGY

This research is a descriptive research. Hidayat (2010) explained that research that uses descriptive methods is research that uses more comprehensive data in the sense of a longer analysis from beginning to end. The sampling technique uses the purposive sampling method with consideration of time, cost and labor. The informants in this study were BUMDes managers and local communities consisting of 10 people. The reason the researcher chose this informant was that the informant directly carried out and knew activities related to the management of the People's Trustee BUMDes in Wonoharjo village, Girimulya District, so that the data and information obtained were more accurate. The source of data used in this study is primary data, namely data obtained or taken directly from the first source through interviews and analyzed using SWOT or SWOT matrix. The stages of data collection and processing carried out:

1. SWOT Identification Stage
 - a. Identify internal and external factors
 - b. Prepare and distribute questionnaires to the community
 - c. Calculate the weighting of questionnaire results and determine the quadrant of the SWOT strategy
2. Strategy Analysis Stage
 - a. SWOT Matrix Analysis
 - b. Development strategy discussion
 - c. Conclusion

RESEARCH RESULT AND DISCUSSION

SWOT Identification

SWOT factors consist of internal factors and external factors. The identification of internal factors and external factors aims to explain *the factors of strength, weakness, opportunities, and treath* in the development of BUMDes Amanah Rakyat.

Internal Factors consist of:

1. Adequate quality or ability of administrators
2. Availability of sufficient capital
3. Availability of facilities and infrastructure
4. Have BUMDes management procedures
5. Have a sustainable business development strategy
6. Have a legal protection body
7. Have a vision and mission for the welfare of the community
8. Able to maintain the business that has been fostered
9. BUMDes deliver work programs to the community
10. BUMDes have improved the village economy

External factors are outlined as follows:

1. There is support from the community
2. Keep up with technology
3. Resource availability
4. Government participation
5. Innovation
6. Competition with other institutions
7. Have new business potential
8. Recognizing community needs for business opportunities
9. Village communities support BUMDes

Weighting and Strategy Determination

The Village-Owned Enterprises Amanah Rakyat development is influenced by various aspects, which are identified and used to assess these elements in the Internal Evaluation Elements (IFE) and External Evaluation aspects (EFE). Based on the completed evaluation, the results shown in the table below:

Table 2. IFE Matrix

No	Internal Factors	Weight	Rating	Score
<i>Strength</i>				
1	The quality or ability of management is adequate	0.15	4	0.6
2	Availability of facilities and infrastructure	0.05	4	0.2
3	Has a legal protection body	0.1	3	0.3
4	Having a vision and mission for the welfare of society	0.075	3	0.225
5	Able to maintain the business that has been built	0.125	3	0.375
6	BUMDes has improved the village economy	0.1	4	0.4
	Number of <i>Strenght</i>	0.6		2.1
<i>Weakness</i>				
1	Availability of sufficient capital	0.1	4	0.4
2	Have BUMDes management procedures	0.075	4	0.3
3	Have a sustainable business development strategy	0.1	3	0.3

4	BUMDes delivers work programs to the community	0.075	4	0.3
Number of Weaknesses		0.35		1.3
Number of IFE (Strength-Weakness)				0.8

Source: Research results data processed in 2024

It is clear from the above table that in an attempt to create BUMDes, there are ten internal components – six of which are strength factors and four of which are weakness factors. Amanah Rakyat. The quality factor and adequate management ability are the main force factors that influence the development of BUMDes which have the highest score of 0.6. The weakness that has the lowest rating of 3 with a weight of 0.1 is the absence of a sustainable business development strategy launched by BUMDes Amanah Rakyat.

From the results of the sum of strengths owned by Village-Owned Enterprises is 2.1 while the results of the calculation of weakness factors are 1.3, so the quadrant of internal factors is $2.1 - 1.3 = 0.8$ which means that Village-Owned Enterprises (BUMDes) Amanah Rakyat are able to utilize strengths and minimize weaknesses.

Table 3. EFE Matrix

No	External factors	Weight	Rating	Score
<i>Opportunities</i>				
1	There is support from the government	0.15	4	0.6
2	Keeping up with technological developments	0.1	4	0.4
3	Availability of resources	0.125	3	0.375
4	The village community supports the existence of BUMDes	0.05	3	0.15
	Total Opportunities	0.425		1.525
<i>Treath</i>				
1	There is participation from the community	0.075	4	0.3
2	There is innovation	0.1	3	0.3
3	Competition with other institutions	0.075	4	0.3
4	Has new business potential	0.1	3	0.3
5	Recognize community needs for business opportunities	0.05	4	0.2
	Number of Weaknesses	0.55		2
	Total EFE (Opportunities-Treath)			-0.475

Source: Research results data processed in 2024

After evaluating the internal factors, the next step is to evaluate the results of the calculation of external factors. The table above explains the strategic opportunities carried out by BUMDes Amanah Rakyat where there are four opportunity factors. Of these four factors, support from the government is the main factor with a score of 0.6, this shows that support from the government can be used to develop BUMDes. The threat factors that affect the development of BUMDes are the absence of innovation and the absence of new potential that can

be developed. The two threats have the same rating of 3 with a value weight of 1.

The result of the sum of opportunities is 1,525 and threats are 2, so the quadrant of external factors is $1,525 - 2 = -0.475$ meaning that the People's Trust Village-Owned Enterprise has not been able to take advantage of the existing opportunities to overcome the threats faced.

DISCUSSION

Based on the results of calculations against internal and external factors, it shows a SWOT matrix that produces alternative strategies used in the development of Village-Owned Enterprises (BUMDes) Amanah Rakyat. The SWOT matrix can explain how the relationship between internal factors (strengths and weaknesses) owned by BUMDes Amanah Rakyat to deal with external factors (opportunities and threats) that exist. The results of the SWOT matrix calculation show the difference in total score between internal factors and external factors, where the difference in total scores will be used to determine what strategy will be carried out by the management of the Amanah Rakyat Village-Owned Enterprise.

Table 4. SWOT Analysis Results for the Development of Amanah Rakyat Village-Owned Enterprises

SWOT	TOTAL SKOR
Internal Factors:	
Strength	2.1
Weakness	1.8
Difference (Strength - Weakness)	0.8
External factors	
Opportunities	1.525
Treath	2
Difference (Opportunity - Threat)	-0.475
X;Y coordinate point	(0.8; -0.475)

Based on the SWOT analysis conducted, the results of IFE and EFE calculations, the strength of Wonoharjo Village BUMDes is 2.1 and weakness is 1.8, the internal factor is $2.1 - 1.8 = 0.8$ and the opportunity for this development strategy is 1.525 and the threat is 2 so that the external factor is $1.525 - 2 = -0.475$. So, if the two values of internal factors and external factors above are combined in the IE matrix, they will meet at the coordinate point (0.8, -0.475), the location of this quadrant can be clearly observed through the SWOT analysis diagram below:

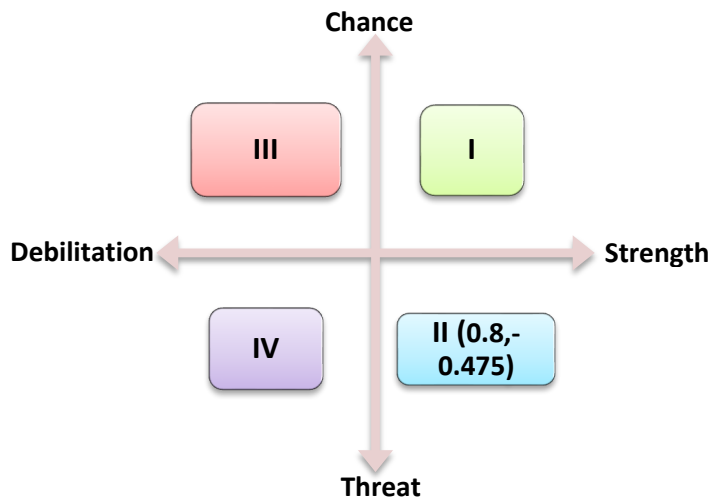


Figure 2. SWOT Analysis Diagram

From the position of the quadrant above, it can be seen that the position of the development strategy used is in quadrant II, which means that the strategy that must be used is a diversification strategy. A diversification strategy is a strategy used to maximize profits and reduce risk. From the results of the SWOT analysis, several alternative strategies were obtained, namely the ST (*Strength-Treath*) strategy. ST strategies that can be used are to use or utilize the strength factor of an object to overcome various existing threats. The SWOT matrix can be seen in Table 5.

Table 5. SWOT Matrix of Amanah Rakyat Village-Owned Enterprises

IFE / EFE	<p>Strengths</p> <ol style="list-style-type: none"> 1. The quality or ability of the management is adequate 2. Availability of facilities and infrastructure 3. Has a legal protection agency 4. Have a vision and mission for the welfare of society 5. Able to maintain the business that has been built 6. BUMDes has improved the village economy
<p>Treath</p> <ol style="list-style-type: none"> 1. The level of community participation is low 2. Lack of innovation 3. There is competition with other institutions 4. There is no potential for new business 5. Not yet able to recognize community needs 	<p>ST Strategy</p> <ol style="list-style-type: none"> 1. Optimize facilities and infrastructure to improve good service 2. Develop the business being run so as not to be left behind by competitors 3. Ensure the continuity of the business sector being carried out

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of research on the Development Strategy of Village-Owned Enterprises (BUMDes) Amanah Rakyat in Wonoharjo Village, Girimulya District, there are several conclusions obtained, namely BUMDes Amanah Rakyat uses a diversification strategy where this strategy uses its strength factors to overcome various existing threats. The strategies used are as follows:

1. BUMDes management must optimize the use of facilities and infrastructure properly to produce new innovations.
2. BUMDes must develop their business to be able to compete with other institutions.
3. BUMDes must ensure the continuity of the business fields that have been carried out to maintain the business that has been fostered.

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