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Model of Cooperative Business Competitiveness Based on Business Type in Hammer City

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ABSTRACT

Advances in science and technology in the current century have changed the face of the world in various aspects of life, especially in the economic field. Where the economic world order becomes centered on individual profits, namely the owners of capital (capitalism). So that an economic system is needed that does not only enrich the owners of capital. One of the economic systems that can be applied to overcome this gap is the people's economy or known as cooperatives. Cooperatives that are expected by the constitution as a people's economic movement known as the pillars of the national economy have not been able to keep up with the efforts of other economic actors, due to internal and external factors, which have an impact on weak business competitiveness. Therefore, the purpose of this research is to find out and analyze how the competitiveness model of savings and loan cooperatives, services, consumers, and producers in Palu City. The analysis technique used is descriptive SWOT technique combined with generic strategies and the 2020 policy of the Indonesian Ministry of Cooperatives and SMEs on cooperative empowerment. The results obtained competitiveness strategies used by each cooperative are: savings and loan cooperatives use aggressive strategies, service cooperatives use defensive strategies, consumer cooperatives use turn-around strategies, and producer cooperatives use diversification strategies

INTRODUCTION

Advances in science and technology in the current century have changed the face of the world in various aspects of life, especially in the economic field. Various discoveries in the field of technology (industrial revolution) gave birth to a new economic world order. The economic world order became centered on individual profits, namely the owners of capital (capitalism). The capitalist/liberal economic system provides maximum benefits to the owners of capital and creates destitution and poverty for the weak economic community (Sitepu, 2018). Therefore, to alleviate poverty, an economic system is needed that does not only enrich the owners of capital. One of the economic systems that can be applied to overcome this gap is the "people's economy". The idea of the importance of an economy that favors the people becomes very important in order to realize social welfare among fellow human beings and is considered to have a very important role in the framework of efforts to advance the position of people who have limited economic capacity (Nasution, 2013).

People's economy means that the economic system describes the importance of strengthening the interests of the people and the livelihoods of many people based on people's sovereignty. The people's economy must be supported from below, where people participate actively in economic activities that can support themselves (self sufficient), build themselves (self empowering), sourced from the people and managed by the people or the community itself to achieve economic added value and social added value (Nasution, 2013). The idea of the importance of an economy that favors the people became the basis for the birth of cooperatives. Cooperatives that are identical to the people's economic system are believed to be an alternative to solving socio-economic problems, especially those in Indonesia.

Cooperatives have an important role in structuring the joint efforts of people who have limited economic capacity, and are considered very suitable to be applied in Indonesia because of the nature of the family and mutual cooperation (Sitepu,

2018). Cooperatives are an economic system that is different from others. This difference can be seen from the ethical value system that underlies its life and is explained in its principles which then function as ethical norms that polarize the behavior of cooperatives as an economy. The potential of cooperatives is also considered to have great opportunities in the market because it has transparency in management by adhering to a system from members, by members, and for members. In addition, cooperatives have a strategic role in the national economic system based on the principles of kinship and economic democracy in order to create an advanced, just and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia.

The ideals of Cooperatives are in accordance with the makeup of the Indonesian people. Although it always gets obstacles, the Cooperative can still grow and develop. Cooperative growth in Indonesia is also fairly good despite experiencing ups and downs. Based on data from the Ministry of Cooperatives and SMEs in 2019, the number of active cooperatives in Indonesia was 123,048, down 2.6% from the previous year. While active members in 2019 amounted to 22,463,738 people increased by 12% from the previous year (Kemenkopukm, 2019). In Central Sulawesi, the trend of cooperative growth is fairly good where in 2019, the number of active cooperatives was 2,087, an increase of 24.48% from the previous year. Active members in 2019 were 227,558 people or decreased by 1.7% compared to the previous year which amounted to 231,594 people (sultengprov, Government Agency Performance Accountability Report (LAKIP) Fiscal Year 2019, 2019).

The growth of cooperatives in Palu City itself shows good development where the number of active cooperatives in 2019 was 215, up 18% from the previous year. However, the active members in 2019 were 24,307 which decreased by 7.2% from the previous year (sultengprov, Government Agency Performance Accountability Report (LAKIP) Fiscal Year 2019, 2019). As one of the economic instruments, the existence of cooperatives in Palu

City plays an important role in improving the economy of the people of Palu City. Given that cooperatives take part in achieving a prosperous economic life, both for the people who are members of the association itself and for the surrounding community (Arief, 2012). To realize these ideals is certainly not impossible considering the diversity of cooperatives consisting of various types that developed in the community of Palu City. Law No. 17/2012 Article 82 states that cooperatives consist of various types including: consumer cooperatives, producer cooperatives, service cooperatives, and savings and loan cooperatives. The existence of various types of cooperatives is certainly an effort to reach various levels of society, especially in Palu City by offering convenience in transactions. For example, savings and loan cooperatives are now in high demand because they offer easy loans and no collateral. Likewise with all-round cooperatives, which have indirectly provided many benefits (Matdoan, 2017).

Cooperatives do have their own place in the economic structure and attention from the government (Sari, 2019). In addition, in the economic system, cooperatives are considered the pillar of the economy (Sitepu, 2018). However, the enormous demands that must be shouldered by cooperatives certainly make their journey quite heavy, moreover, they do not yet have the ability to carry out their role effectively and strongly. This is because cooperatives still face structural obstacles in controlling production factors, especially capital (Sitepu, 2018). Whereas every aspect of a cooperative is important that must be understood so that it can be developed and utilized properly (Ermaya, 2019). In addition, cooperatives, which are synonymous with the people's economic system, are believed to be an alternative to solving socio-economic problems. However, until now the cooperative movement is still more dominant as a moral movement than as an economic movement that is concretely able to improve the economic welfare of its members (Nasution, 2013).

These problems are also felt by cooperatives in Palu City, which are facing tough challenges.

Moreover, it cannot be denied that currently, market development is so fast and competitive, and cooperatives are present during this competition. As a business institution, cooperatives inevitably face increasingly fierce business competition. Whatever the type, cooperatives continue to face business competition against similar cooperatives (production and marketing), competition with non-bank/banking financing institutions for KSP, and competition with modern retail for Koperasi Serba Usaha (KSU). Moreover, cooperative members are mostly ordinary people and work as micro-entrepreneurs such as grocery sellers, street vendors, vegetable sellers, etc., so the rise of minimarkets and banking or non-banking institutions that stray into small entrepreneurs and even penetrate the countryside is a challenge as well as a threat in the cooperative business (Arief, 2012). What is the competitiveness model of consumer cooperatives, producer cooperatives, service cooperatives, and savings and loan cooperatives in Palu City?

LITERATURE REVIEW

Cooperatives are one of the legal forms of business established in Indonesia. According to Law No. 17 of 2012 article 1 paragraph 1 concerning cooperatives, a cooperative is a legal entity established by individuals or cooperative legal entities, by separating the wealth of its members as capital to run a business, which fulfills common aspirations and needs in the economic, social, and cultural fields following cooperative values and principles. (Sembiring, 2015) reveals that a cooperative is an autonomous organization, which is in a socio-economic environment, which benefits each member, management, and leader, and each member, management, and leader formulates its goals autonomously and realizes these goals through economic activities carried out jointly. Meanwhile, the International Cooperative Alliance (ICA) defines a cooperative as an autonomous association of people who unite voluntarily to meet common economic, social, and cultural needs and aspirations through jointly owned and democratically controlled companies (ICA, 2016).

Cooperatives base their activities on the principles of the people's economic movement based on family principles. The role of cooperatives is very important in growing and developing the economic potential of the people as well as in realizing an economic democratic life that has democratic characteristics, togetherness, kinship, and openness (Gemina, 2013). Moreover, cooperatives are the backbone of the Indonesian economy. Article 33 of the 1945 Constitution states that "The Indonesian economy is structured as a joint venture based on the principle of kinship". In the explanation of the 1945 Constitution, it is stated that the business entity following the article is a cooperative, so cooperatives are placed as the pillars of the Indonesian economy and are an integral part of the Indonesian economy (Dwipradnyana, 2020). The existence of cooperatives is also based on noble values that benefit each other, whereas cooperatives are based on the values of self-help, self-responsibility, democracy, equality, and solidarity. In the tradition of its founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and concern for others (ICA, 2016).

In carrying out its activities, the cooperative adheres to several principles. The cooperative principle according to Law no. 17 of 2012 article 6 includes: Cooperative membership is voluntary and open; Supervision by Members is carried out in a democratic manner; Members participate actively in the economic activities of the Cooperative; Cooperatives are autonomous and independent self-help enterprises; Cooperatives organize education and training for Members, Supervisors, Managers and their employees, as well as provide information to the public about the identity, activities and benefits of Cooperatives; Cooperatives serve their members first and strengthen the Cooperative Movement, by working together through a network of activities at the local, national, regional and international levels; and Cooperatives work for sustainable development for the environment and society through policies agreed upon by Members.

To reach various levels of society to actualize community institutions that have a "gotong royong"

spirit, to drive development in achieving community welfare. So several types of cooperatives were formed which are expected to support members in particular and the community in general. The types of cooperatives according to Law No. 17 of 2012 article 84 include: Consumer cooperatives organize service business activities in the field of supplying goods needed by Members and non-Members; Producer cooperatives organize service business activities in the field of procurement of production facilities and marketing of production produced by Members to Members and non-Members; Service cooperatives organize non-saving and borrowing service business activities needed by Members and non-Members; Savings and Loan Cooperatives run savings and loan businesses as the only business serving Members.

(Markovics, 2005) revealed that competitiveness is a widely used concept in economics and is the key to the success of the phenomenon of competition, usually referring to the commitment to market competition if the company wants to succeed in the competition. However, competitiveness is a fairly complex concept.

Because there is no single indicator used to measure competitiveness, which is also very complicated to measure. (Feurer, 1994) also revealed that competitiveness is relative and not absolute. It depends on shareholder and customer value, financial strength that determines the ability to act and react in a competitive environment, and human and technological potential in implementing the necessary strategic changes. Competitiveness can only be maintained if the right balance is maintained between these factors. (Frances, 2013) From a business perspective, competitiveness is conceptualized as a collection of the results of work processes and performance that are tangible in various comparative advantages such as quality, price, service, packaging, delivery, and so on, as well as various management functions that are integrated into one form of organization or product or service which then gives birth to a new identity of the organization or product or service as the best condition.

(Frances, 2013) also revealed that the conception of competitiveness is related to two important things, namely perception and the existence of dominant attributes consisting of organizations and products. Competitiveness is a form of opponent or customer perception of the organization and/or product. The perception is related to various advantages or strengths or potentials possessed and by organizations or products that are considered the best from various aspects inherent in the organization or product related to or related to several things, among others, such as quality, durability (durability), completeness, compatibility (suitability or suitability), legal or not, halal or not (if associated with food or beverages), orderly, good ethics, law-abiding, keeping promises, easily accessible and obtainable, not quickly damaged, pleasant to use, having continuity (continuity of existence), and so on.

The process of creating competitiveness can be seen from two perspectives, namely (1) competitiveness can be created directly in a gradual process with a long enough time, and (2) competitiveness can be created indirectly by system changes, willingness, ability, and courage to make strategic changes (Frances, 2013).

An effort to increase the competitiveness of cooperatives can be done with various efforts. (Arief, 2012) reveals several efforts that can be taken by cooperatives to increase competitiveness including The use of IT to improve services to cooperative members; Carrying out management that has transparency and accountability to increase member confidence in cooperative managers; Organize education and training (diktat) on an ongoing basis; Include cooperative administrators and managers in relevant scientific meetings, and self-study to improve their competence in managing increasingly modern cooperatives.

Model development of cooperative competitiveness according (Hana, 2018) can be influenced by:

1. Human capital

Intellectual capital in the form of human capital which is operationally measured by the ability,

experience, expertise, and ability to work together in a team will greatly help the development of a business organization. An established human *capital* will facilitate strategies to take advantage of the important role in improving human resources and will show a tendency to behave more clearly and purposefully. *Human capital* shown by a high level of education, and high experience can improve business performance so that in the end it will strengthen the ability of cooperatives as business organizations to be able to compete in the millennial era.

2. Entrepreneurial spirit

With a high entrepreneurial spirit, you will have more potential in recognizing and utilizing business opportunities. If the aspect of the entrepreneurial spirit is strong, it will be able to increase trust which in the end will be able to come up with innovative ideas, be proactive, dare to take risks and take advantage of opportunities and take a role in entrepreneurship. In addition, the shared vision and goals among the members of the organization demonstrate the entrepreneurial aspect, which through value creation leads to integrity and a sense of responsibility and is ultimately conducive to developing the business. Thus the competitiveness of the business will increase.

3. Business and management experience

The competitiveness of cooperatives is greatly influenced by the culture that exists in business organizations. The operationalization of the culture is attitudes, values, and behaviors that all boil down to their business and management experience which will be the basis for business people to understand more deeply about the management of the business being run. This means that some of these cultural dimensions will bridge understanding of the philosophy of business management that it manages. The higher the business management philosophy that is understood, the higher the performance it will achieve. And the higher the performance achieved, the more established the competitiveness of the organization will be.

Competitive Strategy

External boundaries are defined by the industry and its wider environment. Industry opportunities and threats determine the competitive environment with the risks and potential rewards that come with it. People's expectations reflect the impact of things like government policies, social interests, evolving customs, and more on the company. These four factors must be considered before a business can develop a realistic and applicable set of goals and policies. (Porter, 1998)

Ada three generic strategic approaches that would potentially succeed in outperforming other companies in an industry (Porter, 1998) as follows:

Overall Cost Advantage

The first strategy, which became increasingly prevalent in the 1970s due to the popularization of the experience curve concept, was to achieve overall cost advantage in the industry through a set of functional policies aimed at these core goals. Cost excellence requires aggressive construction of efficient scale facilities, vigorous effort to achieve cost reductions due to experience, cost control and restricted overhead, avoidance of marginal customers, as well as minimizing costs in areas such as R&D, service, sales fleet, advertising, and others. Great managerial attention to cost control is necessary to achieve this goal. Low costs relative to competitors are the theme that animates the overall strategy, although quality, service, and other areas cannot be ignored.

Having a low-cost position will make the company earn above-average returns in its industry despite the great competitive forces. His fee position gives to such companies. resistance to rivalries from competitors, as its lower costs allow it to still be able to make a profit after its competitors sacrifice their profits for the sake of competition.

A low-cost position protects the company from strong buyers because buyers can only use their power to keep prices down to the price level of the next most efficient competitor. Low costs protect strong suppliers by providing greater flexibility to cope with rising input costs. The factors that lead to a low-cost position usually also create significant barriers to entry in the form of economies of scale or cost advantage. Finally, a low-cost position usually puts the company in an advantageous position in the face of substitute products relative to the position of its competitors in the industry. So, a low-cost position protects the company against all five competitive forces because bargaining will only continue to erode profits until the next most efficient competitors fall out and because the most inefficient competitors will be the first to suffer in the face of competitive pressure.

Achieving a low overall cost position often demands a high relative share of the market or other advantages, such as favorable access to raw materials. In addition, it is also necessary to design a public relations platform to be easy to make, sell many related product lines to spread costs, and serve all large customer groups to build volume. Ultimately, implementing a low-cost strategy may require large preliminary capital investments for modern equipment, aggressive pricing, and initial losses to build up a share of the market. A high share of the market can ultimately enable economies of scale in purchases that will further keep costs down. If achieved, a low-cost position provides high margins that can be reinvested in new equipment and modern facilities to maintain a cost advantage. Such a reinvestment is also a prerequisite for maintaining a low-cost position.

The cost advantage strategy seems to be the cornerstone for *Briggs and Stratton's* success in the small horsepower gasoline motor industry, where

they control 50% of the world market, and *Lincoln Electric's* success in the electric welding equipment and materials industry. Other companies known for implementing successful cost advantage strategies on some businesses are *Emerson Electric*, *Texas Instruments*, *Black and Decker*, and *Du Pont*. (These companies are all United States companies).

Cost advantage strategies can sometimes revolutionize an industry where its historical competitive base has always been the opposite and competitors are not prepared either perceptually or economically to take the necessary steps to minimize costs. The *Harnischfeger* company boldly revolutionized the harsh terrain crane industry in 1979. Starting with a 15% market share, *Harnischfeger* redesigned its cranes to be easy to build and maintain using modular components, changing configurations and reducing the amount of material. The company then established a sub-assembly area and carried out the conveyorization of its assembly lines, a major deviation from the norms in the industry. *Harnischfeger* orders parts in bulk to save costs. All this allows the company to offer products of reasonable quality and suppress prices by 15%. *Harnischfeger's* share of the market grew rapidly to reach 25% and is still growing. Said *Willis Fisher*, general manager of *Harnischfeger's* Hydraulic Equipment Division:

We don't strive to develop machines that are much better than other people's machines, but we want to develop machines that are really easy to make and give them a price, consciously, as cheap machines. Competitors complained that *Harnischfeger* had "bought" a share of the market with a low profit margin, an allegation denied by the company.

Differentiation

The second generic strategy is to differentiate the product or service offered by the company, which is to create something new that is perceived by the entire industry as unique. Approaches to differentiation can take many forms: design imagery over merek (*Fieldcrest* in the towel and linen industry; Mercedes in the automobile industry), technology (*Hyster* in the lifting truck industry; *MacIntosh* on stereo components; *Coleman* in camping equipment), special characteristics (*Jenn Air* on electric stoves), customer service (*Crown Cork and Seal dalen* industrial metal cans), channeling network (*Caterpillar Tractor* in an operation), or other dimensions. Ideally, the company differentiates itself in several dimensions. *Caterpillar Tractor*, for example, is renowned not only for its excellent dealer network and parts availability but also for its highly high-quality durable products, all of which are critical in the tools industry where *downtime* is prohibitively expensive. It needs to be emphasized that the differentiation strategy chapter does not mean allowing companies to ignore costs, but costs are not the main strategic targets.

Differentiation, if achieved, is a good strategy for generating above-average returns in an industry because it creates a safe position to overcome all five forces of competition, albeit in a different way than a cost-advantage strategy. Differentiation provides a barrier to competition due to brand loyalty from customers and results in reduced sensitivity to prices. Differentiation also increases profit margins which avoids the need for low-cost positions. The resulting customer loyalty and the need for competitors to overcome uniqueness create barriers to entry. Differentiation results in higher margins that can be leveraged to overcome supplier strength, and clearly reduce buyer strength, as buyers have no comparable

alternatives and therefore become less price sensitive. Finally, a company that has differentiated itself to gain customer loyalty will be better positioned towards replacement products than its competitors.

Achieving differentiation can sometimes hinder the achievement of a high share of the market. It also often necessitates the perception of something exclusive, which is not in line with the high share of the market. But, more prevalently, achieving differentiation will mean sacrificing the cost position if the activities required to create are expensive, such as extensive research, product design, high-quality materials, or intensive customer support. Although customers in the industry know the advantages of the company in question, not all customers are willing or "able to afford a higher price (although most of them are in industries such as earthmoving equipment. willing to do so, where despite the high price Caterpillar controls the dominant part of the market). In other businesses, differentiation may not correspond to relatively low costs and at comparable prices from competitors.

Focus

The last generic strategy is to concentrate (focus) on a specific group of buyers, product line segments, or geographical markets; As with differentiation, focus can take many forms. If low-cost and differentiation strategies are aimed at achieving their goals in the entire industry, then a focus strategy is built to serve specific targets well, and all functional policies are developed on the basis of this in mind. This strategy is based on the idea that the company will thus be able to serve its narrow strategic targets more effectively and efficiently than competitors competing more broadly. As a result, the company will achieve differentiation by being able to better meet the needs of a particular target, or achieve a lower cost in serving this target, or even

achieve both. While the focus strategy does not achieve low cost or differentiation in terms of the overall market view, it actually achieves one or both of those positions in its narrower target market.

Companies that choose a potentially focused strategy can also generate above-average returns for their industry. A focus strategy can mean that a company has a low-cost position with its strategic targets, differentiation, or both. As already discussed in the context of cost advantage and differentiation, these positions provide protection against any competing forces. Focus strategies can also be used to select targets that are least prone to substitute products or where competitors are the weakest.

For example, *Illinois Total Works* in the United States has focused on a specific market for fasteners where the company can design products for specific buyer needs and create switching costs. Although many buyers are not interested in this service, some buyers are actually interested. *Fort Howard Paper* (also in the US) focuses on several types of limited paper to the industry, avoiding consumer products prone to advertising wars and rapid introduction of new products.

METHODS

The data analysis method used in this study is a qualitative descriptive analysis with a SWOT analysis approach combined with the analysis of three generic strategies and three Government Policy strategies for empowering Cooperatives and MSMEs 2020.

RESULTS AND DISCUSSION

The results of the study obtained information from the Office of the SME Cooperative and Palu City Manpower Office that the number of cooperatives in Palu City based on the type of business is 57 cooperative units with details: Savings and Loan Cooperatives as many as 20 Cooperative Units; Service Cooperatives as many as 4 Cooperative Units; Consumer Cooperatives as many

as 20 Cooperative Units; and Producer Cooperatives as many as 13 Cooperative Units.

The results of the SWOT analysis obtained from the comparison between IFAS and EFAS, then obtained a "competitiveness strategy" in each type of cooperative. In order to make the cooperative competitiveness strategy more comprehensive (comprehensif), then combined with 3 "Generig Strategies and 3 Government Policies for the Empowerment of Cooperatives and MSMEs in 2020, in the end, a "cooperative competitiveness model based on the type of business in Palu City" was obtained .

Savings and Loans Cooperative

The Savings and Loans Cooperative runs a savings and loans business as the only business that serves Members and non-members. The calculation results of IFAS and EFAS of the Palu City Savings and Loan Cooperative have a total score value of each factor of strength and weakness, mopmoney and threats can be detailed:

- 1. Strength Factor : 2.77
- 2. Weakness Factor : 1.5
- 3. Opportunity Factor : 2.4
- 4. Threats : 1.56

The score of each factor is known to be the Strengths value above the Weaknesses value difference (+) 1.27 and the Opportunities value above the Threats value difference (+) 0.84.

Thepalu city savings and loans cooperative is located in quadrant I of the Aggressive Strategy. This shows that the situation is certainly beneficial for companies that have advantages and strengths that allow them to take advantage of the current situation. Under these circumstances, the plan that must be implemented is one of the supports for an ambitious growth program (Growth oriented strategy). This strategy allows the Palu City Savings and Loans Cooperative to get a larger market turnover and achieve maximum progress.

As for the grand strategy that can be done by the Management of the Palu City Savings and Loans Cooperative, it is further described in the following SWOT matrix strategy table:

Table 1. SWOT Matrix Strategy Combination Formulation

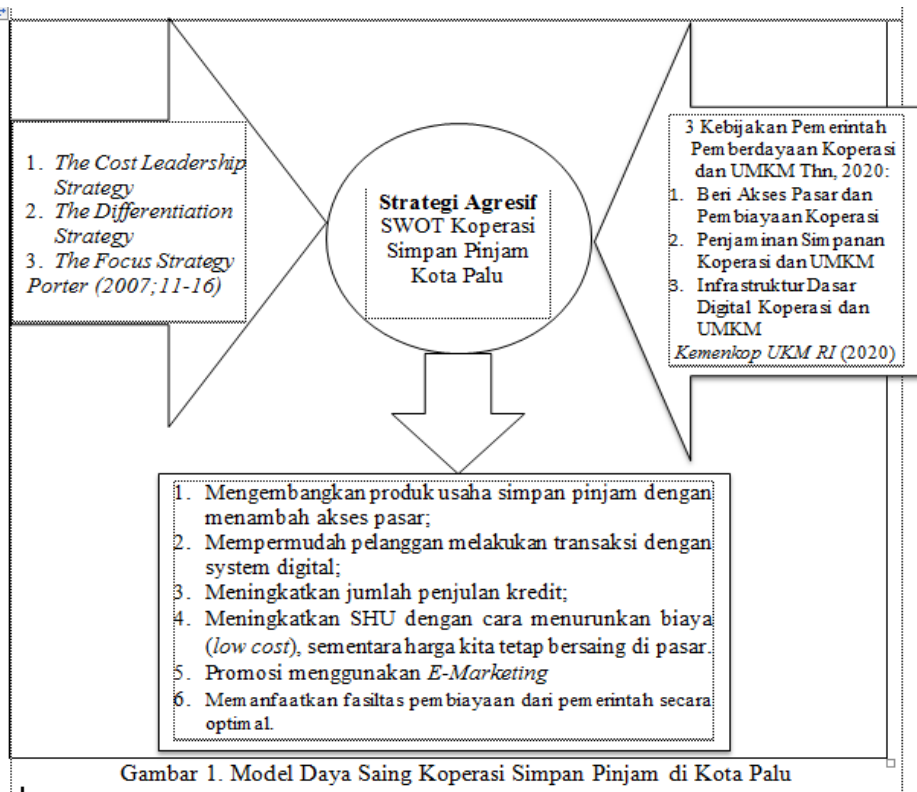
IFAS EFAS	<i>Strength (S)</i>	<i>Weakness (W)</i>
<i>Opportunity</i>	Strategi (SO) : = 2,77 + 2,4	Strategi (WO) : = 1,5 + 2,4
<i>Threat (T)</i>	Strategi (ST) : = 2,77 + 1,56	Strategi (WT) : = 1,5 + 1,56

Source: Ifas and Efas Calculation Results 2022

The aggressive strategy used by the Palu City Savings and Loans Cooperative to face the digital era is to use alternative strengths and opportunities (S-O) strategies as follows:

- 1. Develop savings and loans business products.
- 2. Make it easier for customers to transact.
- 3. Increase borrowed capital.
- 4. Promotion using E-Marketing.

If the aggressive strategy of Savings and Loans Cooperatives in Palu City by combining the generig strategy (Porter) and the Policy of the Minister of Cooperatives and MSMEs of the Republic of Indonesia in 2020, then a competitive model of the Palu City Savings and Loans Cooperative can be produced as follows:



Gambar 1. Model Daya Saing Koperasi Simpan Pinjam di Kota Palu

The competitiveness of savings and loan cooperatives by implementing strategies:

1. Developing savings and loans business products by increasing market access;
2. Make it easier for customers to make transactions with a digital system;
3. Increase the number of credit sales;
4. Increase SHU by lowering costs (*low costs*), while our prices remain competitive in the market.
5. Promotion using *E-Marketing*
6. Make optimal use of financing facilities from the government.

Service Cooperative

The service cooperative organizes non-savings and loan service business activities required by Members and non-Members. The results of the calculations of *IFAS and EFAS* of the Palu City Service Cooperative contain the total score value of each factor of strengths and weaknesses, opportunities and threats can be detailed:

1. *Strength Factor* : 1.89
2. *Weakness Factor* : 2.41
3. *Opportunity Factor* : 1.41
4. *Threats* : 2.31

The score of each factor is known to be the *Strengths* value above the *Weaknesses* value difference (-) 0.52 and the *Opportunities* value above the *Threats* value difference (-) 0.9. The Palu city savings and loans cooperative is located in quadrant IV. This shows that the company's situation is in a very unfavorable state, so to deal with various threats and internal weaknesses the company seeks to determine a defense strategy (*Defensive Strategy*). This strategy allows the Palu City Services Cooperative to minimize weaknesses and avoid threats.

The *grand strategy* that can be carried out by the Management of the Palu City Service Cooperative is further described in the following table :

Table 2. SWOT Matrix Strategy Combination Formulation

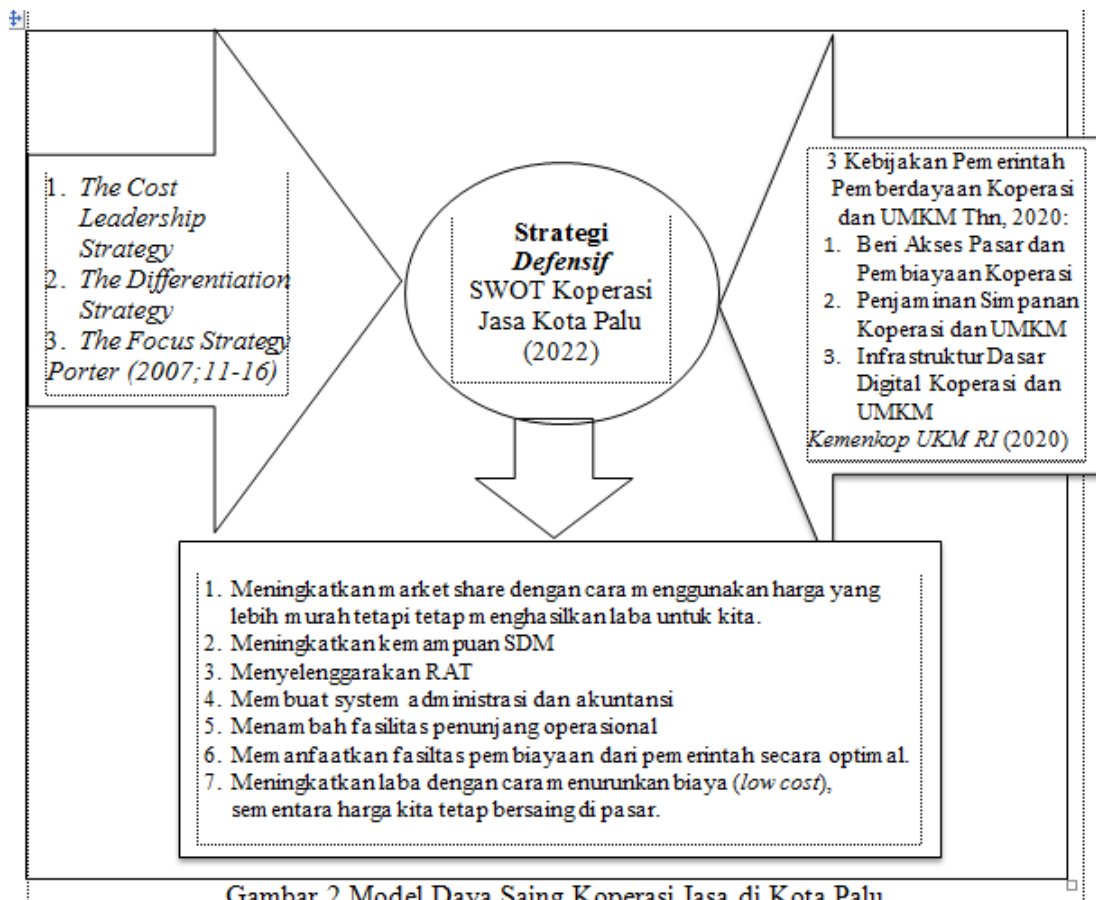
IFAS \ EFAS	Strength (S)	Weakness (W)
Opportunity (O)	Strategi (SO) : = 1,89 + 1,41	Strategi (WO) : = 2,41 + 1,41
Threat (T)	Strategi (ST) : = 1,89 + 2,31	Strategi (WT) : = 2,41 + 2,31

Source: Author's Research Results 2022

The *defensive strategy* used by the Palu City Services Cooperative to deal with competitors is to use the following alternative strategy (W-T):

1. Expanding the market.
2. Improving SDM capabilities.
3. Organizing RAT.
4. Create an administrative and accounting system.
5. Adding operational supporting facilities.

If the *defensive strategy* of the Service Cooperative in Palu City combines with the generic strategy and the Policy of the Minister of Cooperatives and MSMEs of the Republic of Indonesia in 2020, then a competitiveness model of the Palu City Services Cooperative can be produced as follows:



Gambar 2 Model Dava Saing Koperasi Jasa di Kota Palu

Competitiveness of service cooperatives by implementing strategies:

1. Increase market share by using cheaper prices but still generate profits for us.
2. Improving HR capabilities
3. Organizing RAT
4. Create an administration and accounting system
5. Adding operational supporting facilities
6. Make optimal use of financing facilities from the government.
7. Increase profits by lowering costs, while our prices remain competitive in the market.

Consumer Cooperatives

Consumer cooperatives organize service business activities in the field of providing goods for the needs of Members and non-Members. As a result of the calculation of *IFAS* and *EFAS* of the Palu City Consumer Cooperative, there is a total score value of each of the factors of strengths and weaknesses, opportunities and threats can be detailed:

1. *Strength Factor* : 1.76
2. *Weakness Factor* : 2.41
3. *Opportunity Factor* : 2.14
4. *Threats* : 1.62

The score of each factor is known to be the *Strengths* value below the *Weaknesses* value difference (-) 0.65 and the *Opportunities* value above the *Threats* value difference (+) 0.52. The Palu City Consumer Cooperative is located in quadrant III and the strategy that must be implemented is the *turn-a round* strategy. Even though it has the disadvantage of the internal environment, the Palu City Consumer Cooperative still has opportunities and an external environment that can be used as an added value.

The *grand* strategy that can be carried out by the Palu City Consumer Cooperative Management, is further described in the table of SWOT matrix strategy combinations as follows:

Table 3. SWOT Matrix Strategy Combination Formulation

IFAS \ EFAS	Strengths (S)	Weaknesses (W)
Opportunities (O)	STRATEGI (SO) = 1,76 + 2,14 = 3,90	STRATEGI (WO) = 2,41 + 2,14 = 4,55
Threats (T)	STRATEGI (ST) = 1,76 + 1,62 = 3,38	STRATEGI (WT) = 2,41 + 1,62 = 4,03

Source: Author's Research Results 2022

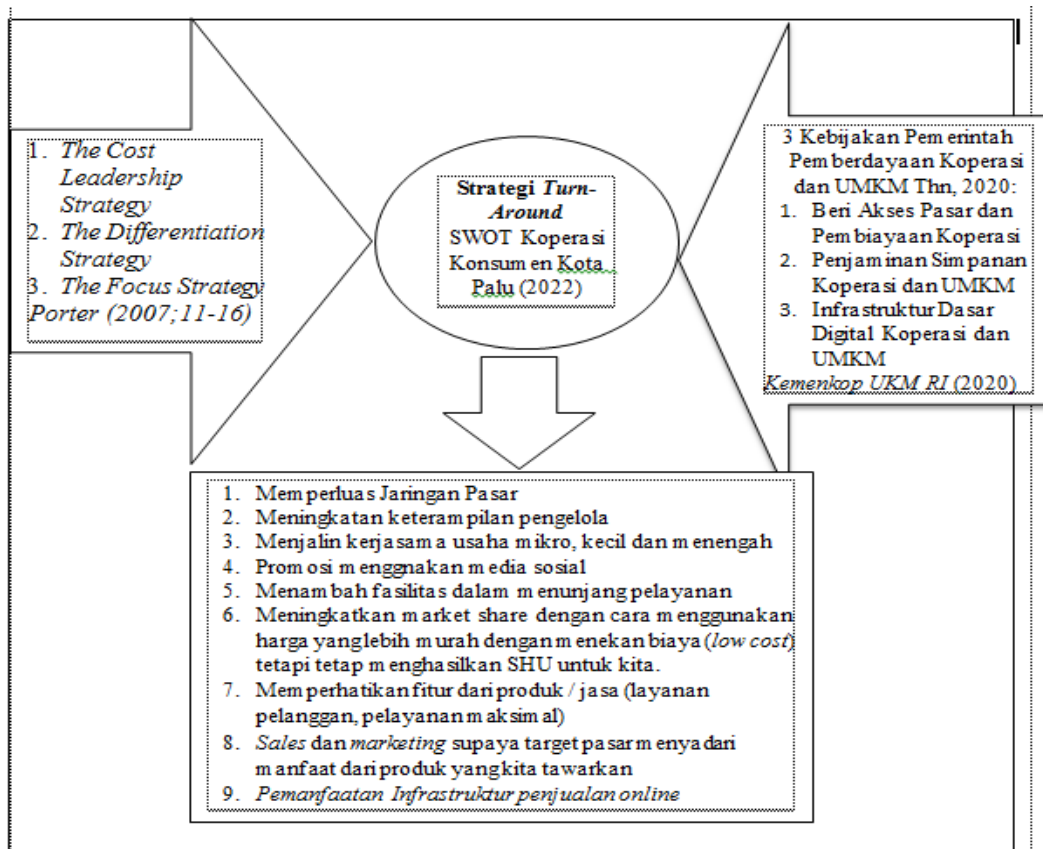
The turn-around strategy used by the Palu City Consumer Cooperative to deal with competitors is to use the following alternative opportunity-weakness (S-O) strategy :

1. Expanding the market network
2. Improving your manager's skills

3. Establish cooperation with micro, small and medium enterprises
4. Promotion using media
5. Adding facilities to support services

If the turn-a round strategy of Consumer Cooperatives in Palu City by combining the generic

strategy (Porter) and the Policy of the Minister of of the Palu City Consumer Cooperative can be Cooperatives and MSMEs of the Republic of produced as follows: Indonesia in 2020, then a model of competitiveness



Gambar 3 Model Daya Saing Koperasi Konsumen di Kota Palu

Competitiveness of consumer cooperatives

by implementing strategies:

1. Expanding the market network.
2. Improve the skills of managers.
3. Establish cooperation of micro, small and medium enterprises.
4. Promotion using social media.
5. Adding facilities to support services.
6. Increase market share by using cheaper prices by reducing costs (*low costs*) but still produce SHU for us.
7. Pay attention to the features of the product / service (customer service, maximum service)
8. *Sales and marketing* so that the target market realizes the benefits of our products. offer.
9. *Utilization of online sales infrastructure.*

Producer Cooperatives

Producer cooperatives conduct service business activities in the field of procurement of production facilities and marketing of production produced by Members to Members and non-Members. As a result of the calculation of *IFAS and EFAS* of Palu City Production Cooperative, there is a total score value of each of the strengths and weaknesses, opportunities and threats can be detailed:

1. *Strength Factor* : 1.35
2. *Weakness Factor* : 0.91
3. *Opportunity Factor* : 1.14
4. *Threats* : 1.34

The score of each factor is known to be the *Strengths* value above the *Weaknesses* value difference (+) 0.44 and the *Threats* value above the *Opportunities* value difference (-) 0.2. Poside of

Palu City Production Cooperative is located in quadrant II. This shows that the company's situation is experiencing various threats but still has internal strength in the cooperative. The strategy that needs to be implemented is to take advantage of strengths and opportunities in the long term by strategi

diversification (products/services). The *grand* strategy that can be carried out by the Palu City Production Cooperative Management is further described in the SWOT matrix strategy table as follows:

Table 3. SWOT Matrix Strategy Combination Formulation

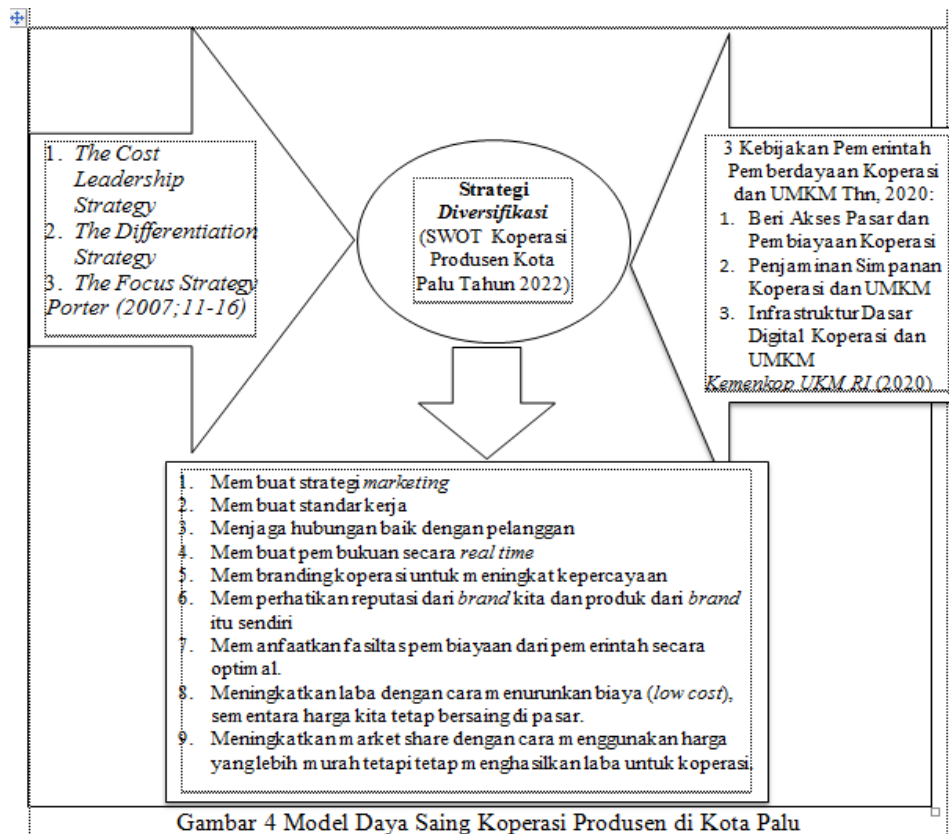
IFA S	<i>Strength (S)</i>	<i>Weakness (W)</i>
<i>Opportunity</i>	Strategi (SO) : = 1,35 + 1,14	Strategi (WO) : = 0,91 + 1,14
<i>Threat (T)</i>	Strategi (ST) : = 1,35 + 1,34	Strategi (WT) : = 0,91 + 1,34

Source: Author's Research Results 2022

The strategy used by the Palu City Production Cooperative to deal with competitors is to use an alternative force-threat strategy (S-T) is as follows:

1. Create a *marketing* strategy
2. Create a standard of work
3. Maintain good relationships with customers
4. Create books *in real time*
5. Membranding cooperatives to increase trust

If the *Diversion Strategy for Producer Cooperatives* in Palu City combines with the generic (Porter) strategy and the Policy of the Minister of Cooperatives and MSMEs of the Republic of Indonesia in 2020, then the competitiveness model of the Palu City Consumer Cooperative can be produced as follows:



Competitiveness of Producer Cooperatives by implementing strategies:

1. Create a *marketing* strategy.
2. Create work standards.
3. Maintain good relations with customers.
4. Create bookkeeping in *real time*.
5. Membranding cooperatives to increase trust.
6. Pay attention to the reputation of our brand and the products of the *brand* itself.
7. Make optimal use of financing facilities from the government.
8. Increase profits by lowering costs (*low costs*), while our prices remain competitive in the market.
9. Increase market share by using cheaper prices but still generate profits for operations.

CONCLUSION

The competitiveness of the Savings and Loan Cooperative by applying the strategies:

1. Developing savings and loan business products by increasing access to credit.
2. Making it easier for customers to make transactions with a digital system.
3. Increase the number of loan sales.
4. Increase SHU by reducing costs (*low cost*), while our prices remain competitive in the market.
5. Promotion using E-Marketing.
6. Optimally utilize financing facilities from the government.

Competitiveness of Koperasi Jasa by implementing strategies:

- a. Increase market share by using lower prices but still generating profits for the cooperative. Improve human resource capabilities.
- b. Organizing the AGM.
- c. Creating an administration and accounting system.

- d. Adding operational support facilities.
- e. Optimally utilize government financing facilities.
- f. Increase profits by reducing costs (low cost), while our prices remain competitive in the market.

Competitiveness of Consumer Cooperatives by implementing strategies:

- a. Expanding Market Network.
- b. Improving manager skills.
- c. Establishing cooperation with micro, small and medium enterprises.
- d. Promotion using social media.
- e. Adding facilities to support services.
- f. Increase market share by using lower prices by reducing costs (low cost) but still generating SHU for cooperatives.
- g. Pay attention to the features of the product / service (customer service, maximum service)
- h. Sales and marketing so that the target market realizes the benefits of the products we offer.
- i. Utilization of online sales infrastructure.

Competitiveness of Producer Cooperatives by implementing strategies:

- a. Create a marketing strategy.
- b. Creating work standards.
- c. Maintain good relations with customers.
- d. Making bookkeeping in real time.
- e. Branding the cooperative to increase trust.
- f. Pay attention to the reputation of the cooperative brand and the products of the brand itself.
- g. Utilize government financing facilities optimally.
- h. Increase profits by reducing costs (low cost), while our prices remain competitive in the market.
- i. Increase market share by using lower prices but still generating profits for the cooperative.

SUGGESTIONS

1. The management and management of the cooperative jointly formulate a competitiveness model in accordance with the results of this study.
2. The results of the formulation of the cooperative competitiveness model are socialized to members as owners and users.
3. Implementation of the cooperative competitiveness model is carried out continuous evaluation and the results are presented at the cooperative members meeting.
4. To all cooperative stakeholders (stake holders), jointly monitor and provide physical and non-physical facilities in the application of the cooperative competitiveness model in accordance with their respective types of business.
5. To academics who have relevant disciplines / study programs, let the results of this research be used as a reference for further research.

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