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Business Improvement Strategy and Benefit Cost Ratio of Bogares Peanut SMEs in Tegal Regency

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Article Info	Abstract
	SMEs (Small and Medium Enterprises) are small business activities carried out by someone, which need to be protected to prevent unfair business competition. Bogares peanuts are one of many businesses in the Tegal Regency which needs to be developed because Bogares peanut is one of the special snacks from Tegal Regency. The purpose of this study was to analyze internal and external factors, to analyze business improvement strategies and to analyze the costs and benefits of production in Bogares Peanut SMEs. The research method used in this study was the Mix Methods. The analysis was done by the researchers using the SWOT analysis to measure business conditions in stable or unstable conditions, and the Cost Benefit Analysis was done to determine whether or not the business was feasible to be developed. The population in this study were all Bogares peanuts SMEs in Tegal Regency. The sampling technique used saturated sampling technique and the data collection techniques was done through interviews, questionnaires, and documentation. The results showed the internal factors of Bogares Peanut SMEs consisting of seven strengths and three weaknesses, in addition based on the Internal Factor Evaluation (IFE) matrix analysis, as big as 2.621 was located in quadrant II which means Bogares Peanut SMEs in Tegal Regency were in stable condition; while external factors consisted of four opportunities and four threats, based on the analysis of the External Factor Evaluation (EFE) matrix as big as 2.407 lies in quadrant V, which means that Bogares Peanut SMEs were in a stable condition; the analysis of cost benefit obtained a total value of 1.69> 1 it showed that the Bogares Peanut SMEs deserve to be developed.

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INTRODUCTION

The main target of the economy to be achieved in long-term development is the creation of a balance between agriculture and industry and fundamental changes in Indonesia's economic structure, so that production from non-agriculture becomes an increasingly large part and industry becomes the backbone of the economy. The industrial development in Tegal Regency has not been so rapid over the past 4 years. The number of small industrial business units in 2016-2019 increases every year, and in 2019 the number of small and medium industrial business units is 29,010 units. Likewise, the workforce absorbed was relatively stable at 123,425 people from 2016-2019, in 2019 with a production value of Rp 971,836,000,000.00. This development occurred in the home industry.

Peanuts are one of the crops or one of the agribusiness commodities that are highly favored by the people of Indonesia. Peanuts are considered as one of the most needed agricultural food products. In various places of Indonesia, the people consume nuts, because nuts can be used as food.

Peanuts are rich in protein and fat, but can be processed with a variety of foods, the seeds can be eaten raw, boiled, fried or roasted, but peanuts also can be used to make jam. Besides the seeds, the leaves can also be eaten either raw or boiled. It can also be used as food for the animals and as green fertilizer. Currently the peanut plant ranks second after soybean. Many farmers grow peanuts because they believe it is one of the most important food commodities in context of food security for the Indonesian population. In addition to choosing good seeds when planting peanuts, we also need to know the quality of the soil. The important thing to consider in planting peanuts is fertile, loose soil, and contains a lot of minerals.

Tegal Regency consists of lowlands and mountains because it borders directly with Mount Slamet, thus it is highly potential in terms of agriculture. Legume farming has been widely cultivated in Tegal Regency, one example is peanuts. Most areas in Tegal are peanut-producing areas. One place that produces peanut that has a distinctive taste is the village of Bogares, Pangkah District, Tegal Regency. Peanuts from this village are known by the name of Bogares peanuts which are crispy, savory, sweet, fragrant, and white mixed with red.

Since 2002 Bogares Kidul Village has established the Bogares peanuts home industry. The existence of the Bogares peanuts industry is because there is a driving factor, namely the availability of raw materials (nuts) in abundant quantities and skills acquired from generation to generation from their ancestors. Bogares peanuts are a special snack from Tegal regency. Good quality peanuts added with seasoning salt and fried using sand made these bogares peanuts crispy and savory. Bogares peanuts are not like other peanuts from other areas because they still have the husk and are fried using hot sand. Bogares Kidul Village becomes a center for Bogares peanuts center, which makes this village able to absorb a large enough workforce which resulted in increased income and good welfare for the community. This also what makes Desa Bogares Kidul become famous in other areas, especially in the area of Tegal Regency and Tegal City.

The development of industry is a key element in realizing national industry as a pillar and driver of the national economy; realizing an independent, competitive and developed, and green industry; realizing business certainty, fair competition, and preventing industrial monopoly by one group or individual that harms the community; opening business opportunities and expanding employment opportunities; realizing equal distribution of industrial development throughout Indonesia in order to strengthen national resilience; and increasing the prosperity and welfare of the community in a just manner. Factors affecting the development of the Industry include: Resource factors, including raw materials, energy sources, climate and landforms, water supply; Social factors, including the provision of labor, organizational skills, technological skills and abilities; Economic factors, including capital factors, marketing factors, transportation factors, value factors and land prices; and also Policy Factor.

Production is an activity to create or add to the use of goods or services. The production process is influenced by several factors including: Natural production factors, this factor is the most

important main production factor in the framework of preparation, procurement and development of small industries; Factors of labor production; The factor of capital production, this factor is in the form of fixed capital such as buildings, machinery, tools and working capital which is the most important; Production factors of business ability, this factor depends on the quality of Human Resources. External factors in this study are: technology, human resources, and related institutions.

METHODS

This research is a quantitative and qualitative research or commonly known as mix methods for analyzing Bogares peanuts SMEs in Tegal Regency. The sampling technique used saturated sampling technique. Data collection was done using interviews, questionnaires, and documentation. That was using a questionnaire that must be answered by each respondent of the Bogares peanuts SME producers, besides using interviews to Bogares peanuts SMEs owners and employees and use documentation.

The analytical tool used in this study was a SWOT analysis to measure the condition of SME peanuts if it was stable or unstable. SWOT analysis is the systematic identification of various factors to formulate a company's strategy. This analysis is based on logic which can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats. The Threats-Opportunities-Weakness-Strength (TOWS) matrix is an important match that helps managers develop four types of strategies namely SO (strength-opportunities), WO (weakness-threat) strategies. Cost Benefit Analysis to determine if the existing Bogares peanuts SMEs in Tegal Regency are feasible or not. Cost Benefit Analysis

is a technique for analyzing costs and benefits that involves estimating and evaluating the benefits associated with alternative actions to be taken. Thus, Cost Benefit Analysis (CBA) is a systematic analysis used to calculate and compare the costs and benefits of a project, decision or government policy. In this study the dependent variable is business improvement, while the independent variable is the benefit cost ratio, SWOT analysis.

RESULTS AND DISCUSSION

The location of Bogares peanuts home industry is located in the village of Bogares Kidul, one of the villages in Pangkah District, Tegal Regency with an area of 193,886 Ha and has a strategic location, which is close to the city center. The distance between the village and the sub-district is 2 km, from the administrative center of the city is 5 km and the distance from the regency center is 5 km. Bogares Kidul Village has an area of 34 Ha. Bogares Village is a small part of Tegal Regency in Pangkah District and divided into 4 *RW 27 RT*. It is known that the population of Bogares Kidul Village, Pangkah District is 8,252 people consisting of 4,189 men and 4,063 women and the highest number is in the productive age group (15 - 49 years) of 4,282 people or 64.74% of the total population in the Bogares Kidul Village, Pangkah District, Tegal Regency. In terms of livelihoods, the majority of Bogares Village population work as farmers, peasants and rice farmers, where the population of farmers is 997 people and as farm workers is 771 people. (Data Source: 2020 Village Census).

Internal Condition Analysis of Bogares Peanut SMEs in Tegal Regency consists of strengths and weaknesses shown in the following table:

Table 1. Internal Condition of the Bogares Peanut SMEs

Internal Factor	Analysis
Strengths	The traditional management of the bogares peanut SMEs
	The management function is carried out by the bogares peanut owner
	Strategic business locations which are easily accessible,
	Adequate service,
	Small businesses bogares peanut is in demand,
	Adequate business support facilities.
Weaknesses	Relatively low business costs,

Management information system has not been running well,
Human resource available to handle bogares peanut SMEs is still limited.

External Conditions Analysis of Bogares Peanut SMEs consisting of opportunities and threats are shown in the following table:

Table 2. External Condition of Bogares Peanut SMEs

External Factor	Analysis
Opportunities	The rate of economic growth in Tegal Regency increased,
	Increased consumer and raw material for making bogares peanuts in the region,
	The population is increasing,
	Coaching and training of small businesses by the government.
Threats	Peanut prices fluctuate, and it tends to always increase,
	Community assessment of the existence of bogares peanut SMEs,
	The development of information and communication technology,
	Advances in information technology affect the price of Kacog Bogor.

Based on internal conditions, the weighting score from the external is carried out, the efforts to determine the IFE and EFE are as follows:

Table 3. IFE SME Matrix of the Bogares Peanuts

| Internal Strategic Factors	Weight	Rating	Weighted Value
Strengths			
The management of Bogares peanut SMEs is traditionally carried out	0.095	3	0.285
The management function is carried out by the owner of the Bogares peanut producer	0.084	2	0.169
Strategic business locations and production sites. easily accessible	0.112	4	0.448
Customer service takes precedence	0.112	3	0.336
Adequate capital	0.078	3	0.234
The Bogares peanut SMEs is growing	0.112	3	0.336
Adequate business support facilities	0.095	3	0.284
Total	0.688		2.092
Weaknesses			
Relatively low business costs	0.095	1	0.095
Information system management has not been running well	0.105	2	0.210
Human resources that handle the small business of Bogares peanuts are still limited	0.112	2	0.224
Total	0.312		0.529
Total IFE			2.621

The total IFE matrix score of 2.62 shows that the efforts of the Bogares peanuts SMEs in Tegal were in the median condition. This condition, according to the owner of Bogares peanuts SMEs, is to optimize strengths that must be overcome. Furthermore, based on the calculation the scores from the EFE external environment (opportunities and threats) as follows:

Table 4. of the EFE Matrix of the Bogares peanut

External Strategic Factors	Weight	Rating	Weighted Value
Opportunities			
The rate of economic growth in Tegal Regency has increased	0.127	3	0.381
Increased consumers and raw material for peanuts in the area	0.127	3	0.381
The population is increasing	0.140	4	0.560
Coaching and training for Small Businesses by the Government	0.114	2	0.229
Total	0.508		1.551
Threats			
The price of peanuts tends to increase	0.106	2	0.212
Community judgement of the existence of the Bogares peanuts SMEs	0.127	1	0.127
The development of information and communication technology	0.123	2	0.246
Advances in information technology affect the price of peanuts	0.136	2	0.271
Total	0.492		0.856
Total EFE			2.407

Source: Primary data processed (2020)

Based on the results of the EFE matrix observing the readiness of the Bogares Peanut SMEs to get a total score of 2.407, this shows that the Bogares Peanut SMEs in Tegal Regency has sufficient ability to gather external opportunities and avoid threats. Table 4 shows that the results of the mapping of Bogares peanuts SMEs in Tegal can be described as follows:
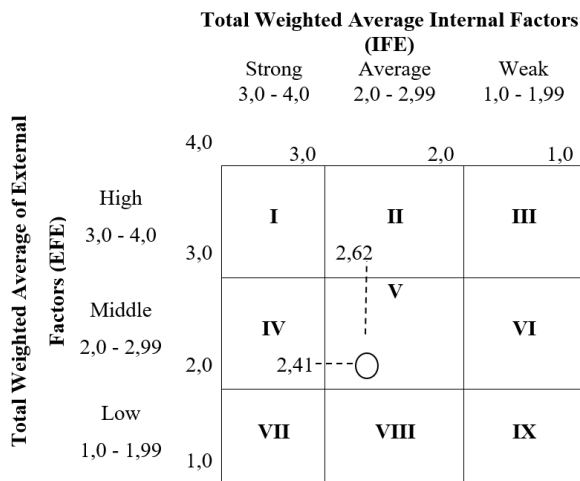
Figure 1. Internal and External Factors of Bogares peanuts SMEs in Tegal Regency

Based on Figure 1 it can be seen that the IFE weighted value of 2.62 lies in (2.0-2.99 average) in quadrant II and the weighted average EFE value of 2.41 lies in quadrant V. This position when combined, it can be concluded that the position of Bogares peanuts SMEs in Tegal Regency are in a stable and maintained condition.

To find out if the Bogares peanut SMEs in Tegal Regency are feasible or not, the researchers conducted an analysis using Cost Benefit Analysis, the following are the results of the cost benefit analysis:

Table 5. Economic Analysis of Bogares peanuts SMEs by Year

Analysis	An analysis of SMEs Peasantes Per Year (Rp)
Peanuts	417.011.000,00
Labor Wages	153.059.000,00
Factory Overhead Costs:	
a. Firewood	108.659.000,00
b. Kerosene	9.223.000,00
c. Sand	3.654.000,00
d. Seasoning	65.222.000,00
e. Pakaging	7.909.000,00

Depreciation of Equipment	1.533.000,00
Depreciation of Buildings	13.045.000,00
Depreciation of Transportation	50.745.000,00
Equipment Repair and Maintenance Costs	20.954.000,00
Total Production Costs	847.199.000,00
Reception	1.433.716.000,00
Income	586.517.000,00

Source: processed primary data (2020)

Based on the research results that have been processed from Table 4.5, the total Benefit and Cost Ratio as follows:

Total *B/C Ratio* = Total of Reception: Total Production Cost

= Rp 1.433.716.000,00 : Rpp 847.199.000,00

= 1,69

Based on the calculation results above that the total value of the B/C ratio obtained was 1.69> 1, this value indicates that Bogares peanuts SMEs in the Bogares Village, Pangkah District, Tegal Regency are worth developing.

CONCLUSION

There are seven strengths and three weaknesses in the internal factors of Bogares peanuts SMEs, the results of the analysis of the Internal Factor Evaluation (IFE) matrix of 2.621 are located in quadrant II which means Bogares peanuts SMEs are in a stable and maintained condition. In the external factors there are four opportunities and four threats faced by Bogares peanut SMEs, the results of the analysis of the External Factor Evaluation matrix (EFE) of 2.407 lies in quadrant V meaning that the position of Bogares peanuts are in stable conditions. The result of the Cost Benefit Ratio analysis test is 1.69> 1, meaning that the Bogares peanut SMEs in Tegal Regency are worth developing.

To improve the small and medium businesses of the peanut bogares in Tegal Regency, the following suggestions can be given: (1) improving the quality of natural resources by means of business operators participating in various training, while also improving the quality of employee; (2) cooperating with the Tegal Regency Industry and Trade department to help SMEs in marketing; (3) cooperating with surrounding communities especially with farmers to obtain cheaper raw materials in addition to being able to improve the economy of local farmers.

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