

# Formulation of Business Development Strategy Through SWOT Approach and Business Model Canvas (Case Study on MSMEs in Padamulya Village)

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## Article Information:

Received: September 02, 2024, Accepted: September 23, 2024, Published: September 26, 2024

## Abstract

This study highlights the important role of micro, small, and medium enterprises (MSMEs) in the local and national economy, especially in developing countries. It focuses on Padamulya Village in Pasirwangi District, Garut Regency. MSMEs in this village are the driving force of the regional economy through their ability to create jobs and adapt to technological changes. This study uses a qualitative approach to analyze MSME development strategies in Padamulya through SWOT analysis and Business Model Canvas (BMC). The purpose of the study is to identify the challenges faced by MSMEs, including limited capital, technology, and market access, and to formulate effective development strategies in the era of globalization. The study results indicate that MSMEs in Padamulya are in a growth phase focusing on increasing short- and medium-term profitability and product and technology innovation. Through product diversification, quality improvement, and the development of distribution channels, MSMEs in this village can strengthen their competitiveness in domestic and international markets. This study guides policymakers and MSME actors in optimizing local potential and strengthening the regional economy. It also underscores the need for further studies on implementing BMC in other MSMEs, highlighting the importance of continuous learning and improvement in the field of business development.

**Keywords:** UMKM, SWOT, Business Model Canvas, Economic Development, Padamulya Village.

JEL Codes: M20, M21

## How To Cite

Lestari, F. & Muttaqin, R. (2024) Formulation of Business Development Strategy Through SWOT Approach and Business Model Canvas (Case Study on MSMEs in Padamulya Village). *International Journal of Finance Research*, 5(3). pp. 480 – 494.  
DOI: <https://doi.org/10.47747/ijfr.v5i3.2103>

## 1. Introduction

Micro, Small and Medium Enterprises (MSMEs) play a major role in improving the local and national economy, making them a major driving factor in economic development. Small and medium cooperatives (MSMEs) have led to economic growth and employment, especially in developing countries. MSMEs can produce a productive and innovative workforce, have a strong sensitivity to technological changes, and have advantages over large businesses in terms of flexibility.

To optimize the involvement of MSMEs in economic development, people who have potential in their areas, both from natural resources and other potentials, must be enthusiastic about utilizing and mobilizing all their abilities to develop the area's potential so that the potential can be converted into economic value that can meet their living needs. There is local potential that can become superior products in each region. This can be an important source of income for the community.

A good process is needed to develop MSMEs optimally to lead a nation towards prosperity. It is hoped that MSMEs will continue to develop to be able to create jobs and utilize local potential optimally, so that they can contribute to the regional and national economy. However, the current potential is not balanced with the challenges faced by MSMEs. Some of the problems often faced by MSMEs include limited capital, technological problems, lack of market information, weak business networks, an unfavorable business climate, and lack of facilities and infrastructure. This imbalance will cause MSME productivity to be low. Currently, the current of competition in the globalization era requires MSMEs to be able to face global challenges. As a result, MSMEs must continue to innovate in developing products, improving human resources and technology, and expanding their business networks (Lestari & Muttaqin, 2023). This is done to eliminate factors that make it difficult for MSMEs to develop their businesses.

One of them is Padamulya Village, Padamulya is a village located in the Pasirwangi sub-district, Garut Regency, West Java Province, Indonesia. This village makes the trade sector one of the mainstays of the community's economy, with the existence of MSMEs that have great potential as drivers of the regional economy in Padamulya Village. In addition, the Padamulya Village government helps build the village economy and its own community. To achieve this goal, a business unit called BUMDes (Village-Owned Enterprise) was established and is currently running well. BUMDes Padamulya Village runs several business units, including: fruit and vegetable farming, making paving blocks, processing plastic waste, and so on. By running this business unit, BUMDes Padamulya Village has the opportunity to empower the surrounding community.

For example, in the development of fruit and vegetable farming businesses, there are still many Padamulya MSME actors who have problems, both internally and externally. The marketing flow of fruits and vegetables in Padamulya MSMEs starts from the production stage, where fruit and vegetable plants are planted and maintained properly. After harvest, the products are

then packaged according to the standards and quality set by Padamulya MSMEs. Furthermore, the fruit and vegetable products are distributed to traditional markets such as Samarang Market, Ciawitali Market, and Guntur Market, Garut Regency. In these markets, Padamulya products will be sold to retailers or traders who will then sell them to end consumers. In this marketing flow, several problems may occur, including Padamulya MSMEs facing limitations in distribution channels, especially in reaching a wider market outside traditional markets. This can hinder their sales potential and limit access to new consumers. Then Padamulya MSMEs are too dependent on traditional market retailers as their main sales channel. This can make them vulnerable to price fluctuations and competition at the retailer level, as well as reduce control over the selling price of their products. In addition, the lack of effective promotion and marketing can hinder Padamulya MSMEs' efforts to increase consumer awareness of their products. This can lead to low sales and difficulty competing with competitors in the market (Lestari & Muttaqin, 2022).

To overcome these problems, Padamulya MSMEs need to make improvements in distribution strategies, improve product quality, diversify marketing channels, and invest in promotion and branding. Based on the problems that exist in Padamulya MSMEs, it is an interesting thing to study because this business is the mainstay of the economic sector of the Padamulya community. In order for MSMEs to be able to contribute to the regional and national economy, efforts are needed to identify and overcome the obstacles faced by MSME actors, both solutions from related agencies or ministries, solutions from the local village government and solutions from the MSMEs themselves and solutions to develop MSMEs in Padamulya in the era of globalization.

## 2. Literature Review

### 2.1 Corporate Strategy

Strategy is a series of integrated and coordinated commitments and actions, designed to exploit core competencies and achieve competitive advantage. (Muttaqin, 2020). In choosing a strategy, a company makes decisions from various alternatives to determine the path to strategic competitiveness. The approach chosen reflects what the company will do and not do (Yanto et al., 2021).

According to Porter (in David et al., 2020), three generic strategies can be applied by companies in various industries to gain competitive advantage, namely:

**Cost Leadership:** This strategy focuses on achieving the lowest costs compared to other companies in the industry. Cost advantages can be obtained through economies of scale, the application of efficient production technology, or access to more profitable raw materials.

**Differentiation:** In this strategy, the company tries to create uniqueness in certain dimensions of the product that consumers consider valuable. This uniqueness meets consumer needs with attributes that are considered important by buyers in the industry.

**Focus:** The company chooses one or several market segments to develop with a strategy that is different from competitors with wider market coverage. By optimizing this strategy, the company can gain a competitive advantage in certain market segments, although not overall in the industry.

### A. SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is the process of assessing the strengths, weaknesses, opportunities, and threats within an organization. Boseman (in Yusuf et al., 2013) states that SWOT analysis is a method for assessing strengths, weaknesses, opportunities, and threats in the business world. According to Jogiyanto (in Widharta, 2013), SWOT analysis helps organizations exploit strengths and opportunities and address weaknesses and threats.

### B. Internal Environmental Analysis

A company is an open system that is influenced by and affects its internal and external environment. According to Osterwalder, A.; Pigneur, 2017, A good understanding of the business environment helps create a stronger and more competitive business model. The internal environment includes variables such as the organization's structure, culture, and resources that influence the formulation of the company's mission and goals (Wheelen, Thomas L. & Hunger, 2012).

### C. External Environment Analysis

The external environment is everything outside the boundaries of the organization that can affect the sustainability of the company. The external environment can be a threat or an opportunity that can be exploited to gain profit (Griffin, R W., & Ebert, 2006). According to (David et al., 2020), External environmental analysis considers economic, social, cultural, demographic, environmental, political, legal, technological, and competitive factors that may affect the organization in the future.

### D. IE (Internal-External) Matrix

The IE Matrix is a strategic management tool that combines analysis of internal and external business factors to determine the strategic position of a business. It plots the scores from the EFE and IFE matrices on the Y and X axes, respectively, to determine the position of various divisions within an organization (David et al., 2020). The IE Matrix identifies major strategies based on a division's position in nine strategy cells, such as grow and build, sustain, or harvest and divest (Rangkuti, 2015).

### E. SWOT Matrix

The SWOT matrix is used to organize a company's strategic factors by describing how external opportunities and threats can be matched with internal strengths and weaknesses. Strategies resulting from the SWOT matrix include:

SO strategies: Leveraging strengths to take advantage of opportunities.

ST strategies: Using strengths to avoid threats.

WO strategies: Overcoming weaknesses by taking advantage of opportunities.

WT strategies: Minimizing weaknesses and avoiding threats.

## 2.2 Business Model

A business model is a framework for thinking about how an organization creates, delivers, and captures value. (Osterwalder, A.; Pigneur, 2017) A business model is a model that describes the rationale for how an organization captures, delivers, and creates value. (Viljakainen et al., 2013) Adding that the business model includes interrelated strategic decisions in business strategy,

architecture, and economics to create competitive advantage. The following are 9 blocks of the Business Model Canvas, including:

Business Model Canvas (BMC) is a strategy tool used to describe and illustrate a business model with nine key elements (Osterwalder, A.; Pigneur, 2017). The nine elements are:

1. Customer Segments: identify the parties who use the service or product.
2. Value Propositions, a unique offering that meets customer needs.
3. Channels: How an organization communicates and delivers its value proposition to customers.
4. Customer Relationships: Types of relationships it has with customers, such as acquisition, retention, upsells.
5. Revenue Streams: Sources of revenue received from customers, such as asset sales, usage fees, subscriptions, rent, licenses, intermediary fees, advertising, and donations.
6. Key Resources: Resources required to run the business model, such as facilities, intellectual, human, financial, and technological resources.
7. Key Activities: Key activities that must be performed to add value, such as production, problem solving, and platforms.
8. Key Partnerships: Strategic partners that help operate the business model, such as strategic alliances, coopetition, joint ventures, and buyer-supplier relationships.
9. Cost Structure: Cost components involved in running the business model, including cost-driven and value-driven.

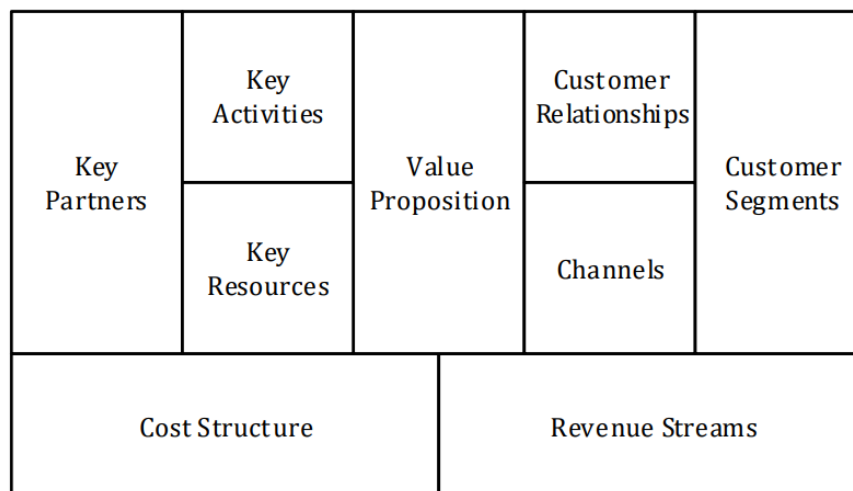


**Figure 1 Business Model Canvas**

### 3. Research Method

#### 3.1 Research Approach and Design

This study uses a qualitative approach with a descriptive analytical design. This approach aims to investigate the condition of the object naturally with the researcher as the main instrument (Sugiyono, 2021). The research was conducted at UMKM Padamulya, a village in Pasirwangi District, Garut Regency, West Java Province, from February 2024 to June 2024, with purposive location selection.

#### 3.2 Data collection

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The data consists of primary and secondary data: Primary Data was collected through interviews with MSME owners to answer the problem formulation and identify the Business Model Canvas (BMC) and SWOT analysis. While Secondary Data was obtained from documents, archives, social media, websites, and related literature.

### *3.3 Data collection technique*

Interviews: Conducted with owners, employees, and consumers of Padamulya UMKM to obtain in-depth data.

Observation: Direct observation of the research object to obtain detailed data on activities and events.

Documentation: Collecting notes, pictures, and related documents to support data from interviews and observations.

### *3.4 Data Analysis Techniques*

Data analysis follows the Miles and Huberman (1984) model, which includes:

Data Reduction: Summarizing and focusing data on important things.

Data Presentation: Presenting data in the form of narrative descriptions supported by documents and images.

Conclusion Drawing: Continuous verification of findings throughout the research process to ensure accuracy.

### *3.5 Validity of Data*

Several data validation techniques were used, including:

Observation Diligence: Ensuring consistency in data interpretation.

Triangulation: Checking data from multiple sources, methods, and time periods to ensure validity.

Reference Material: Supporting data with evidence such as interview recordings and photographs.

Member Check: Verifying data with the data provider to ensure accuracy.

## **4. Findings and Discussions**

For the preparation of strategies using SWOT analysis, the internal environmental data will be analyzed, which is the environment within Padamulya UMKM which is very influential and determines the strategic planning that will be formulated, and external environmental data are factors that are beyond the control of the company's environment. External factors greatly influence the condition of the company both directly and indirectly, therefore external conditions must be considered in determining business strategies in developing market mixes.

### *Internal Factor Analysis (VRIO Analysis)*

The Value, Rarity, Imitability, and Organization (VRIO) framework is compiled with a number of questions regarding the business activities of Padamulya MSMEs, namely regarding values, rarity, imitability (possibility of imitation) and organization. (Muttaqin et al., 2023). All answers will determine whether a resource or capability possessed by the Group is a strength or a

weakness. (Barney, 1991).

### **A. Strengths**

1. Has 102.51 Ha of plantation land area
2. Padamulya UMKM currently has 102.51 Ha of plantation land area, which is a good potential for the Group's future development.
3. Availability of land and suitable agroclimate, especially the development of fruit and vegetable plantations.
4. Because it is at an altitude of 1244.58 meters above sea level which is very suitable for planting fruit and vegetable plantations.
5. Farmers' enthusiasm in developing Agribusiness
6. Seeing the fighting spirit of farmers in developing Agribusiness is the basic capital to change the paradigm of fruit and vegetable farmers.
7. Farming experience
8. For a long time engaged in vegetable plantations and has been a source of family income since several generations above them. This knowledge is the basis for farmers to learn farming.
9. The location of the Padamulya UMKM Group is very strategic.
10. Because it is not far from the center of Bandung City, which is around 10 - 15 km from the center of Garut.

### **B. Weaknesses**

1. Low quality of fruits & vegetables  
Lack of understanding of maintenance Plant management methods, including selection of appropriate varieties, proper fertilization, effective pest and disease control, and sufficient irrigation, greatly affect the quality of the harvest, making the quality of fruits and vegetables still relatively low.
2. Application of technology (agronomy, post-harvest and processing) which is still very limited  
Padamulya MSMEs do not yet understand the fields of education and technology, because all processing processes are still manual.
3. Limited or weak farmer institutions in a position to seize the market (bargaining position).  
The absence of optimal strategic partnerships from each stakeholder ranging from farmer groups, traders, exporters, research institutions, and the government.
4. Use of traditional equipment  
Padamulya MSME Farmer Groups still use traditional equipment. This is influenced by several factors such as the high price of agricultural equipment that already utilizes current technology.
5. Access to business capital is still low  
Limited capital in farming is a classic problem in almost all agricultural areas, especially fruit and vegetable farming. With limited capital, it is very difficult for farmers to manage their farming businesses, let alone to increase their agricultural land. According to farmers, this is because the results of fruit and vegetable farming are often only

enough to meet the needs of the family so that there is not enough left for efforts to increase fruit and vegetable farming results.

6. Managerial ability / Strategic planning process

The current managerial system still needs to be updated regarding the dissemination of information regarding the group's targets and objectives which are still centralized so that they have not been evenly distributed to all members. Strategic planning is an important internal factor to consider in planning and decision making. Information regarding the targets and objectives of Padamulya's MSMEs to be achieved has not been administratively structured so that information has not been fully distributed to all members.

7. Competitiveness is still weak

Padamulya's MSMEs have not been able to compete with farmers from other regions, because this group has just been established and does not yet have superior products.

### **External Factor Analysis (PESTLE Analysis)**

PEST analysis is an analysis of political, economic, social and technological conditions that can affect the activities and performance of Padamulya UMKM. While the PESTLE model includes environmental and legal aspects as external factors that may have an impact on the company. (Rothaermel, 2012).

#### **A. Opportunities**

1. The harvest of fruit and vegetables is not proportional, while the demand for fruit and vegetables is very large.  
This is a great potential for Padamulya MSMEs in increasing their agricultural output.
2. The government through the Coordinating Ministry for Economic Affairs noted that the demand for fresh fruit exports has increased quite significantly. A significant increase in demand for fresh fruit exports is good news for a country's economy. This shows that fresh fruit products from our country are in demand by the international market. Global demand for fruits and vegetables continues to increase due to awareness of the importance of a healthy diet. This creates opportunities for producers to expand their markets abroad.
3. With the growing local trends and sustainability, there are opportunities for local fruit and vegetable producers to market their products with an emphasis on aspects such as quality, cleanliness, and low carbon footprint.
4. Development of Information and Communication Technology.  
The use of e-commerce and technology in the fruit and vegetable supply chain can increase the efficiency and accessibility of products for consumers. Online sales also open the door for small producers to reach a wider market.
5. Emphasis on Health and Lifestyle: Consumers are increasingly concerned about health and lifestyle, so there is an opportunity to market fruits and vegetables as an integral part of a healthy lifestyle.

**B. Threats**

1. The spread of plant diseases can destroy fruit and vegetable crops en masse, reducing production and causing major losses for farmers and businesses.
2. Climate change can result in extreme weather such as floods, droughts, or storms that can damage fruit and vegetable crops, disrupting supply and causing price increases. Limited understanding of technology in processing fruit and vegetable gardens.
3. Fruit and vegetable markets are often affected by global competition from other countries that may have lower production costs or other competitive advantages.
4. Uncertainty in international trade policies, such as changing import tariffs or protectionist policies, can affect the flow of fruit and vegetable trade between countries and complicate business planning.
6. Dependence on fruit and vegetable imports from other countries can increase the risk of supply disruptions, such as political conflict or emergencies in the supplier country.
7. agricultural technology and innovation developments can change market dynamics by enabling more efficient production or driving demand for new types of fruit and vegetables that can displace existing product markets.

**IFE and EFE Matrix of Padamulya MSMEs**

The IFE matrix was obtained from direct interview techniques with Padamulya UMKM by asking questions according to the discussion topic, the list of questions is attached. Based on the results of in-depth interviews with resource persons Mr. Saepullah as the Government Kaur Operator and the RW Chairmen in Padamulya Village, Garut Regency and several members of the Padamulya UMKM group, the weighting was given according to the level of ease to difficulty in each question asked.

The Internal Factor Evaluation Matrix (IFE) was obtained with an IFE matrix score of 2.31. This indicates a moderate/average internal position in Padamulya UMKM.

Meanwhile, the results of the External Factor Evaluation (EFE) matrix are shown in Table 4.2, the EFE matrix score is 1.97. This shows that Padamulya UMKM is weak in responding to external opportunities and threats.

**Padamulya UMKM IE Matrix**

The IE (Internal-External) Matrix positions various divisions of an organization in a nine-cell display. The IE matrix is based on two key dimensions: the total IFE weighted score on the x-axis and the total EFE weighted score on the y-axis. Based on the results of the IFE and EFE analysis, the IFE Matrix of Padamulya UMKM has a total score of 2.31, while the EFE Matrix of Padamulya UMKM has a total score of 1.97. The position of Padamulya UMKM in the IE Matrix can be described as follows:

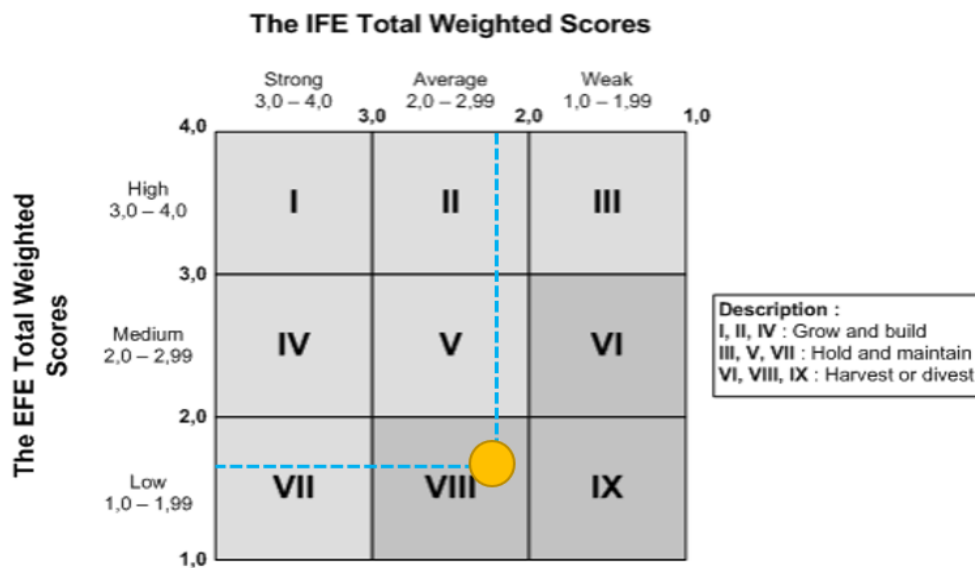


**Figure 2 Padamulya UMKM IE Matrix**

According to the IE Matrix, the position of the Padamulya UMKM Group is in quadrant VIII, this position indicates that Padamulya UMKM is in a growth position. The right strategy for the condition of Padamulya UMKM Harvest strategy or result strategy, which is a strategy that emphasizes maximizing profitability and cash flow in the short to medium term, willing to sacrifice market share if necessary. Divestiture Strategy: this strategy is carried out by selling divisions or parts of the organization. This strategy is also often used in order to increase capital from an investment plan or to follow up on an acquisition strategy that has been decided for the next process. SO (strength-opportunity) strategy utilizes internal strengths to take advantage of external opportunities.

**Table 1 SO Strategy (Strengths - Opportunities)**

| No | Strengths                                                                                                        | No | Opportunities                                                                                                                                                                                                               |
|----|------------------------------------------------------------------------------------------------------------------|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Plantation in Padamulya has 102.51 Ha of plantation land area                                                    | 1  | The disproportionate harvest of fruit and vegetables, while the demand for fruit and vegetables is very large.                                                                                                              |
| 2  | Availability of land and suitable agroclimate, especially for the development of fruit and vegetable plantations | 2  | Global demand for fruit and vegetables continues to increase due to awareness of the importance of a healthy diet.                                                                                                          |
| 3  | Farmers' enthusiasm in developing agribusiness                                                                   | 3  | The growing trend of local and sustainability, there is an opportunity for local fruit and vegetable producers to market their products with an emphasis on aspects such as quality, cleanliness, and low carbon footprint. |
| 4  | Farming experience                                                                                               | 4  | Development of Information and Communication Technology                                                                                                                                                                     |
| 5  | The location of the Padamulya UMKM Group is very strategic                                                       | 5  | Opportunities to market fruit and vegetables as an integral part of a healthy lifestyle.                                                                                                                                    |

S-O Strategy:

| No | Strengths                                                                                                                                                        | No | Opportunities |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------|
| a. | Develop new innovative and high-quality products, such as fresh-cut fruit or organic vegetables in environmentally friendly packaging. (S: 1,2,3,4 & O: 1,2,3,5) |    |               |
| b. | Expand distribution networks by utilizing online platforms and strengthening partnerships with local stores to reach consumers more widely. (S: 2,5 & O: 2,4,5)  |    |               |
| c. | Increase investment in R&D to develop more efficient and environmentally friendly agricultural technologies. (S: 1,2,5 & O: 3,4,5)                               |    |               |
| d. | 4. Intensify partnerships with local farmers and take concrete steps in supporting sustainable agriculture and local communities. (S: 3,4 & O: 3,4)              |    |               |

### ST Strategy (*Strengths – Threats*)

ST (strength-threat) strategy uses a company's strengths to avoid or reduce the impact of external threats.

**Table 2 ST Strategy (*Strengths – Threats*)**

| No | Strengths                                                                                                        | No | Threats                                                                                                                                                                                                                 |
|----|------------------------------------------------------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Plantation in Padamulya has 102.51 Ha of plantation land area                                                    | 1  | The spread of plant diseases can destroy fruit and vegetable crops en masse, reducing production and causing significant losses for farmers and businesses                                                              |
| 2  | Availability of land and suitable agroclimate, especially for the development of fruit and vegetable plantations | 2  | Climate change can lead to extreme weather events such as floods, droughts or storms that can damage fruit and vegetable crops                                                                                          |
| 3  | Farmers' enthusiasm in developing agribusiness                                                                   | 3  | Fruit and vegetable markets are often affected by global competition from other countries that may have lower production costs or other competitive advantages.                                                         |
| 4  | Farming experience                                                                                               | 4  | Uncertainty in international trade policies, such as changing import tariffs or protectionist policies, can affect the flow of fruit and vegetable trade between countries and complicate business planning.            |
| 5  | The location of the Padamulya UMKM Group is very strategic                                                       | 5  | Dependence on fruit and vegetable imports from other countries can increase the risk of supply disruptions, such as political conflict or emergencies in the supplier country.                                          |
|    |                                                                                                                  | 6  | Advances in agricultural technology and innovation can change market dynamics by enabling more efficient production or driving demand for new types of fruit and vegetables that can displace existing product markets. |

ST Strategy:

1. Monitor market trends and conduct regular risk analysis to anticipate potential market changes. (S: 2,3,4 & T: 3,4,6)

### Portrait of Padamulya UMKM Business Model Canvas

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The current portrait of the Padamulya UMKM Business Model Canvas was obtained from the results of interviews with Padamulya UMKM and several stakeholders from Padamulya UMKM, the following is a portrait of the current business model canvas at Padamulya UMKM:

1. Customer Segment: Knowing the Customer

Customer segment at Padamulya UMKM that sells fruit and vegetable products to traditional market retailers at Samarang Market, Ciawitali Market, and Guntur Market, Garut Regency until the product finally reaches the hands of consumers.

2. Value Proposition: What is offered

Diversity of products on Tomato, Sosin, Scallion, Water Spinach, Cayenne Pepper, Red Chili, Jengkol, Orange, Guava, etc. Plantations in Padamulya Village, Garut Regency. With this value proposition, plantations in Padamulya Village can attract the attention of consumers who care about the quality, health, sustainability, and uniqueness of local products. This can also help strengthen the image and reputation of products from the area in the local and regional markets.

3. Channel: Distribution Channel

The current distribution channel or channels in Padamulya UMKM are Direct Sales to Consumers: Through Traditional Markets. This process reflects a direct and efficient distribution channel, allowing Padamulya UMKM products to reach end consumers quickly and in good condition. By maintaining good relationships with retailers and ensuring consistent product quality, Padamulya UMKM can expand its market share and build consumer trust.

4. Customer Relationship: Marketing

Padamulya UMKM's way of maintaining relationships with its customers is simply by discussing or exchanging knowledge and maintaining good communication, in order to build long-term relationships with retailers. It is important for Padamulya UMKM to listen to input from retailers about product quality, market demand, and changing trends. By understanding the needs and desires of retailers, they can adjust their production and marketing strategies to better meet market demand.

5. Revenue Stream: Source of Income

Padamulya UMKM's source of income is from selling fruits and vegetables. UMKM Padamulya sells fruit and vegetable products directly to retailers operating in traditional markets such as Samarang Market, Ciawitali Market, and Guntur Market, Garut Regency. Revenue is obtained from sales in large quantities to retailers at agreed prices.

6. Key Partner: Main Partner

UMKM Padamulya's current business partners are fertilizer suppliers. One very important aspect of cooperation with fertilizer suppliers is the quality of the products provided. Good quality fertilizer will help increase crop yields and plant health, thus contributing to the overall success of UMKM Padamulya.

7. Key Activities: Business Activities

The activities carried out in UMKM Padamulya's current business activities include plant maintenance, harvesting, distribution and marketing. In carrying out these

activities efficiently and effectively, UMKM Padamulya can ensure stable production, high product quality, and satisfactory service to customers. This will help them build a good reputation, increase sales, and expand their market share.

8. Key Resources : Main Resources

The important resources needed by Padamulya MSMEs are good mountainous land, strategic location, agricultural equipment, and the number of Fruit & Vegetable MSMEs is 80 people. By utilizing these resources efficiently and effectively, Padamulya MSMEs can increase their productivity, product quality, and competitiveness in the market. Collaboration with other Fruit & Vegetable MSMEs can also open up opportunities for the exchange of knowledge and experience, as well as synergy in product marketing and distribution.

9. Cost Structure : Cost Structure

The costs incurred by Padamulya MSMEs currently are the purchase of fertilizer, farm laborers, and other operational costs. A good understanding of these costs allows Padamulya MSMEs to manage their finances more efficiently and take them into account in determining product prices. By carefully monitoring and managing costs, Padamulya MSMEs can increase the profitability of their businesses and achieve greater success in the long term.

With the Business Model Canvas concept approach in Padamulya UMKM, several aspects that need to be improved in order to increase the efficiency and competitiveness of their business are identified. First, an in-depth analysis of the targeted market segment is needed, including a better understanding of consumer preferences and needs. Furthermore, optimization of distribution and marketing channels can be the main focus, by ensuring wider access to the market and more effective marketing strategies. In addition, resource management such as stock management, cost control, and resource allocation also need to be considered so that the business can operate efficiently.

## 5. Conclusion

The right strategy for the current condition of Padamulya MSMEs consists of a Harvest strategy or yield strategy, which is a strategy that emphasizes maximizing profitability and cash flow in the short to medium term, willing to sacrifice market share if necessary. Or Divestiture Strategy, this strategy is carried out in order to add capital from an investment plan or to follow up on an acquisition strategy that has been decided for the next process. Innovation, technology and development need to be carried out to respond to the dynamic fruit and vegetable market. This also aims to answer the challenges of global economic competition, where currently barriers to trade access between countries are increasingly eroded.

This phenomenon must be answered by domestic farmers properly in order to be able to maintain the existence of fruits and vegetables in the international market. Padamulya MSMEs need to establish a partnership or cooperation with various parties in achieving the roadmap that has been prepared. Fruit and vegetable farmers must be encouraged to utilize organic waste that can be used as fertilizer in maintaining soil structure and fertility, thereby reducing the use of chemicals that pollute the environment. Padamulya MSMEs can consider diversifying their

products by adding variations of the fruit and vegetable products offered.

This can include developing processed products, such as fruit juice, tomato sauce, or snacks that use their main raw materials from their agricultural products. It is important for Padamulya MSMEs to build strong branding and communicate the unique values of their products to consumers. An effective branding strategy can help differentiate Padamulya products from competitors, improve brand image, and build stronger relationships with consumers. Focusing on improving the quality of fruit and vegetable products is key to maintaining consumer satisfaction and building a good reputation in the market.

Padamulya MSMEs need to continue to improve their agricultural practices, ensure consistent product quality, and pay attention to food hygiene and safety standards. Diversification of distribution channels can open access to a wider market and increase sales.

The following are some suggestions and considerations that can be considered in this study, including:

Padamulya Village should focus on improving the quality of fruit and vegetable products produced, including cleanliness, freshness, and authenticity of the product. Examples include the use of agricultural applications for plant monitoring or online marketing to reach a wider consumer base. Further research is recommended to examine the application of the business model canvas to other MSME objects. In order to find out whether the business model canvas study can be applied by micro, small and medium scale businesses.

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