



Development Strategy Of Small Medium Traditional Jamu Business In Madura Traditional Jamu Company In Janor Koneng Distric

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Abstract

Keywords:

*Herbal Medicine,
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Pamekasan Regency is one of the regencies on the island of Madura that has the potential for production and development of traditional herbal medicine with a total of 13 sub-districts that have many traditional herbal medicine businesses in the form of MSMEs, one of which is P.J. Janor Koneng. P.J. Janor Koneng is the oldest traditional herbal medicine company in Pamekasan Regency which has more than 100 years of age whose business has been managed for generations. Currently managed by Mrs. Sarah Lubabah, and is categorized as a fairly large business.

This study aims to determine the planning and development strategy of SMEs in traditional herbal medicine P.J. Janor Koneng, Pakistan. The method used in this research is a case study. The data collection techniques used are questionnaires, interviews and literature studies. The data analysis technique used is the calculation of IFAS, EFAS, IE Matrix, SWOT, and QSPM. The results of this study indicate that the strategic priorities that can be set by the herbal medicine industry in Pamekasan Regency include improving product quality, increasing promotion and expanding marketing areas, increasing partnerships, and maintaining company image.

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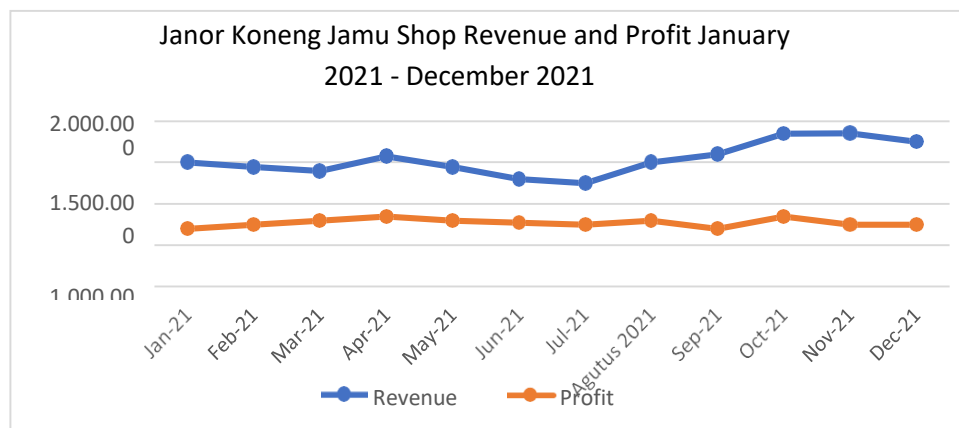
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Introduction

Madura Island is famous for its food production, especially rice, corn, vegetables, tubers, and herbs. These herbal plants are used by the community as basic ingredients for making herbal medicine. For generations, the people of Madura have consumed herbal medicine because they believe that herbal medicine is a cultural heritage of the Indonesian people passed down from their ancestors. Madura is an island that has many industries or small and medium enterprises (SMEs) of herbal products (Munica et al., 2017).

Pamekasan Regency is one of the districts on Madura Island that has the potential for the production and development of traditional herbal medicine with a total of 13 sub-districts having traditional herbal medicine businesses in the form of MSMEs. Until now, traditional Madurese herbal medicine MSMEs in Pamekasan Regency have not been organized into a partnership that can support the existence and development of traditional herbal medicine businesses so that they are more modern and efficient and can compete better. Pamekasan is a district that is famous for its biopharmaceutical products in the form of traditional herbal medicine. In addition, traditional herbal MSMEs that exist in Pamekasan Regency run individually. The business exists and develops according to natural selection.

PJ. Janor Koneng is one of the oldest traditional herbal medicine producers in Pamekasan Regency, Madura. PJ Janor Koneng is part of a fairly large business category and has received government approval for its operations. The founder of PJ Janor Koneng is Arif, whose address is at Jl. Pintu Gerbang IV/2 Gladak Anyar Village, Pamekasan Regency. This traditional herbal medicine business has reached the age of more than 100 years, PJ Janor Koneng has been increasingly victorious and developed until it can establish its own pharmacist. Many kinds of herbs are marketed, including strong herbs which are the best-selling herbs. Although it can be said that the business is smooth, there are still problems faced by traditional Madurese herbal medicine SMEs in the picture below:



Picture 1. Revenue and Profit of Janor Koneng Herb
Source: Janor Koneng Herb Business (2021)

Based on the data above, it shows that in the middle of May 2021 - July 2021, revenue and profits have decreased due to several problems, including the technology used is still simple, product variants are limited, products do not contain value and nutrition, promotions have not been effective, business management skills are still lacking, intense competition with large-scale herbal medicine companies in Indonesia, intense competition with herbal medicine companies in Madura, competition with the chemical drug industry, the emergence of similar products,

fluctuating raw material prices, increases in basic electricity and fuel tariffs, the use of traditional herbal medicine in medicine and modern medicine is still low, product design and packaging are still simple.

Running a traditional herbal medicine business requires good strategic planning. A proper strategic plan is essential to achieve company goals, set targets, face competition with competitors, and survive in business in Pamekasan Regency (Barney and Hesterly, 2008). Currently, there are many traditional herbal medicine business actors who offer various types and kinds of traditional herbs in various regions with different ways of compounding and types of raw materials for making herbs. Companies also need a SWOT analysis which helps to find out the opportunities and threats in the business world that will be faced. According to "(Moniz and Bishop, 2016: 41)" SWOT analysis has the use of assessing the strengths, weaknesses, opportunities, and threats involved in a project or business venture. The strengths of this SWOT analysis are the advantages that a business or team has over other businesses or teams in the industry.

Basically, business ventures that run in all sectors will always be faced with the problem of competition by competitors. It is important to have a clear plan so that the company's goals can be achieved. This study will examine the factors that contribute to the problem, as well as the external and internal environment in which the problem occurs at P.J. Janor Koneng, formulate strategic planning, and analyze its development strategy.

RESEARCH METHODS

This research is located at the Janor Koneng herbal medicine company located on Jl. Pintu Gerbang IV/2 Gladak Anyar Village, Pamekasan Regency. The method used in this research is a case study. The data collection techniques used are questionnaires, interviews and literature studies. The subjects of this research are the owner of Janor Koneng Pamekasan herbal medicine company and employees of the Pamekasan Regency Cooperative and UMKM Office. The object of research studied is the internal and external factors and strategies implemented by the company. The data analysis techniques used are IFAS, EFAS, IE Matrix, SWOT, and QSPM calculations.

RESULT

IFAS Matrix (Internal Factors Analysis Summary)

The results of the IFAS analysis are listed in table 1 below:

Table 1. IFAS matrix (Internal Factors Analysis Summary) on Janor Koneng Traditional Herb SMEs

Strategic Factors	Weights	Rating	Score
Strengths		B	C=(AxB)
1 Locally sourced raw materials	0,08	3,3	0,26
2 Natural ingredients without chemical admixture	0,09	3,8	0,35
3 Company reputation	0,10	4,5	0,47
4 Expertise in blending herbal medicine	0,10	4	0,38
5 Affordable product price	0,08	3	0,24
6 Public trust in Madura herbal medicine	0,06	3,5	0,21
Total Strengths	0,51		1,92
Weakness			
1 The technology used is still simple	0,08	2,3	0,18
2 Product packaging is still simple	0,10	2,6	0,25
3 Product variants are limited	0,08	2	0,15
4 Product have no information on content and nutritional value	0,09	2,2	0,19
5 Promotion is not yet effective	0,09	1	0,09
6 Business management skills are still lacking	0,06	1,5	0,08

Total Weakness	0,49	0,96
		2,87
S-W Difference	1,00	0,96
TOTAL IFAS		2,88

EFAS Matrix (External Factors Analysis Summary)

The results of the EFAS analysis are listed in table 2 below:

Table 2. EFAS matrix (External Factors Analysis Summary) at PJ. Janor Koneng

No	Strategic Factors	Weights	Rating	Score
Opportunity (O)				
1	Increased demand for herbal medicine	0,10	4,5	0,44
2	Wide market opportunities for domestic and export markets	0,08	3,0	0,24
3	Increase public awarness of health due to the covid-19 Pandemic	0,11	4,2	0,44
4	The existence of a Madurese traditional herbal medicine association	0,07	2,0	0,13
5	Government policies that support herbal SMEs in Pamekasan Regency	0,04	2,2	0,09
6	The existence of marketplace that supports the marketing of herbal products	0,08	3,7	0,29
7	Development of processing technology	0,07	3,0	0,21
Total Opportunities		0,54		1,84
Threat (T)				
1	Tight competition with large-scale herbal medicine companies in Indonesia	0,10	2,6	0,25
2	Tight competition with herbal medicine companies in madura	0,05	2,5	0,14
3	Competition with the chemical drug industry	0,04	2,0	0,08
4	Emergence of similar products	0,08	1,0	0,08
5	Fluctuating raw material price	0,07	1,0	0,07
6	Increase in basic electricity and fuel tariffs	0,07	1,5	0,11
7	The use of traditional hebal medicine in medicine and modern medicine is still low	0,05	1,0	0,15
Total Threats		0,46		0,78
Total EFAS		1,00		2,62
Difference O-T				1,07

Internal-External (IE) Matrix

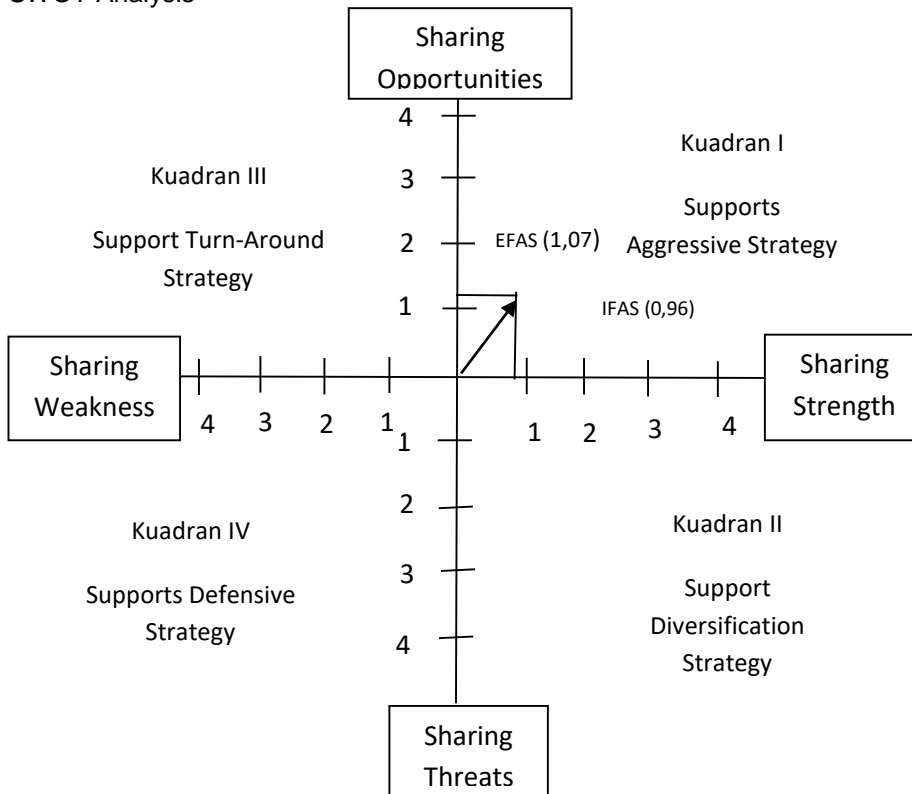
The results of the IE Matrix are listed in table 4.3 below:

Table 3. IE Matrix of PJ. Janor Koneng

	Kuat(3.0-4.0)	Sedang(2.0-2.99)	Lemah(1.0-1.99)
Kuat (3.0-4.0)	I Strategi Intensif dan terintegrasi	II Strategi Intensif dan terintegrasi	III Market penetration and product development
Sedang (2.0-2.99)	IV Strategi Intensif dan terintegrasi	V Market penetration and product development	VI Harvest atau divestiture
Lemah (1.0-1.99)	VII Market penetration and product development	VIII Harvest or divestiture	IX Harvest atau divestiture

Source: Primary Data Processed, 2022

SWOT Analysis



Picture 2. SWOT Analysis Diagram

Table 4. SWOT Analysis Matrics

Internal Factors	Streghth (S)	Weaknesses (W)
	<ol style="list-style-type: none"> 1. Raw materials are sourced locally 2. Natural ingredients without chemical admixture 3. Company reputation 4. Expertise in blending herbal medicine 5. Affordable product price 6. Public trust in Madurese herbal medicine 	<ol style="list-style-type: none"> 1. The technology used is still simple 2. Product packaging is still simple 3. Product variants are limited 4. Products have no information on nutritional content and value 5. Promotion has not been effective 6. Business management skills are still lacking
Eksternal Factors	Opportunity (O)	WO Strategic
	<ol style="list-style-type: none"> 1. Increased demand for herbal medicine 2. Wide market opportunities for domestic and export market 3. Increased public awareness of health due to the Covid-19 Pandemic 4. The existence of a Madura traditional herbal medicine association 5. Government policies that support the policy of herbal SMEs in Pamekasan Regency 6. 6. The existence of a marketplace that supports the marketing of herbal products 7. Development of processing technology 	<ol style="list-style-type: none"> 1. Investment in herbal processing technology and machinery in accordance with Indonesian national standards (SNI) 2. Modification of product packaging by utilizing digital technology and including information on nutritional content and value. 3. Development of raw materials outside the current region 4. Diversification of processed herbal products 5. Increase promotional activities and expand marketing areas
	SO Strategic	WT Strategic
	<ol style="list-style-type: none"> 1. Improve product quality 2. Maintaining the company's image 3. Expanding market share both domestically and exports 4. More intensive promotion through online media 	<ol style="list-style-type: none"> 1. Improvement of herbal medicine processing technology 2. Improving the quality of herbal business management, especially production and marketing management.
	ST Strategic	
Treaths (T)	<ol style="list-style-type: none"> 1. Intense competition with large-scale herbal medicine companies in Indonesia. 2. Tight competition with herbal medicine companies in Madura. 3. Competition with the chemical drug industry 4. The emergence of similar products 5. Fluctuating raw material prices 	<ol style="list-style-type: none"> 1. Maintain and improve product quality 2. Establishment of Madurese herbal medicine marketing centers in Madura souvenir centers, tourist attractions, and government agencies, as a place for joint promotion 3. Establishing partnerships with farmers of traditional medicinal plants in terms

6. Increase in basic electricity and fuel tariffs of raw material procurement
7. The use of traditional herbal medicine in medicine and modern medicine is still low

QSPM (Quantitative Strategic Planning Matrix)

The results of the QSPM are listed in the data table 4.4 below:

Table 5. QSPM Table (*Quantitative Strategic Planning Matriks*)

Critical Factor Sukses	Weight	Market		Produk	
		Penetration		Development	
		(AS)	(TAS)	(AS)	(TAS)
Kekuatan					
Bahan baku terpenuhi secara lokal	0,08	3	0,24	2	0,16
Bahan olahan alami tanpa campuran bahan kimia	0,09	4	0,37	4	0,37
Reputasi perusahaan	0,10	3	0,31	4	0,42
Memiliki keahlian dalam meracik jamu	0,10	3	0,29	2	0,19
Harga produk terjangkau	0,08	4	0,32	1	0,08
Kepercayaan masyarakat akan jamu ramuan Madura	0,06	4	0,24	3	0,18
Kelemahan					0,00
Teknologi yang dipergunakan masih sederhana	0,08	4	0,32	4	0,32
Kemasan produk masih sederhana	0,10	3	0,30	3	0,30
Varian produk terbatas	0,08	2	0,16	3	0,24
Produk belum ada informasi kandungan dan nilai gizi	0,09	4	0,36	4	0,36
Promosi yang dilakukan belum efektif	0,09	3	0,26	2	0,18
Kemampuan manajemen bisnis masih kurang	0,06	4	0,24	3	0,18
Peluang					0,00
Peningkatan permintaan jamu	0,08	2	0,16	4	0,32
Peluang pasar yang luas untuk pasar dalam negeri dan ekspor	0,10	4	0,38	2	0,19
Kesadaran masyarakat akan kesehatan yang meningkat akibat adanya Pandemi 19	0,08	3	0,23	4	0,30
Adanya paguyuban jamu tradisional Madura	0,09	4	0,35	3	0,26
Kebijakan pemerintah yang mendukung UKM Jamu di Kabupaten Pamekasan	0,09	3	0,28	2	0,18
Adanya marketplace yang mendukung pemasaran produk jamu	0,06	3	0,17	1	0,06
Perkembangan teknologi pengolahan	0,07	2	0,14	4	0,28
Ancaman					0,00
Ketatnya persaingan yang ketat dengan perusahaan jamu skala besar di Indonesia	0,10	4	0,39	3	0,29
Ketatnya persaingan dengan perusahaan jamu di Madura	0,05	4	0,22	2	0,11
Persaingan dengan industri obat kimia	0,04	3	0,12	4	0,16
Munculnya produk sejenis	0,08	3	0,24	3	0,24
Harga bahan baku berfluktuasi	0,07	2	0,13	2	0,13
Kenaikan tarif dasar listrik dan BBM	0,07	3	0,21	3	0,21
Penggunaan jamu tradisional dalam dunia kedokteran dan pengobatan mo	0,05	4	0,20	3	0,15

DISCUSSION

Based on table 1. there are 3 strongest factors that have the highest score on the strength factor, namely: Company reputation is the strongest and most prominent

factor in this company with the highest score value criteria of 0.47. The traditional herbal company (PJ) Janor Koneng is a hereditary business, which was founded 100 years ago, and is the oldest traditional herbal medicine company in Madura. Janor Koneng's products are one of the companies that have taken care of and have an official license from BPOM (DEP.KES.RI.NO TR 133 35 04). The second most important strength in the traditional herbal medicine business by PJ. Janor Koneng is that entrepreneurs have the expertise to mix herbal medicine, which is 0.38. As a family heritage business, Mrs. Sarah Lubabah has expertise in formulating herbal medicine by maintaining recipes that have been tested for hundreds of years. The company also has a pharmacist, a warehouse for raw materials and BPOM-standard herbal products, and herbal milling equipment. In addition to being an expert in formulating herbal medicine, Mr. Arif also has expertise in selecting quality herbal raw materials.

The third greatest strength possessed by PJ Janor Koneng is natural processed ingredients without a mixture of chemicals with a score of 0.35. Most of the herbal raw materials come from herbal collectors in Surabaya and local Madurese farmers, among others: ginger, kencur, key, turmeric, temulawak, galangal, tamarind, neem, and lempuyang. A small portion of raw materials are also obtained from abroad such as habatussauda from Saudi Arabia, musli from India, ingguh from India. The processed herbal ingredients are 100% natural, this is in accordance with the results of research (Solehah et.al., 2022) which states that most herbal medicine MSMEs in Pamekasan Regency are made from natural raw materials without using chemicals.

Based on table 1. The weakness factor has three (3) highest score levels, namely:

- 1) Product packaging is relatively simple, has a score of 0.25. The key to marketing products that are aesthetically appealing and safely packaged can convince consumers. Well-designed and carefully conceptualized packaging can project a message to consumers that the product inside is of good quality. (Ermawati, 2019).
- 2) The second biggest weakness of PJ. Janor Koneng is that there is no information on the content and nutritional value of the product with a score of 0.19. Information on the content and nutritional value of herbal products is needed by consumers, because herbal medicine is a health product.
- 3) The technology used is still simple, which is the third biggest weakness owned by PJ. Janor Koneng with a score value of 0.18. Most herbal medicine MSMEs in Madura still use simple technology, for example the Madura Ayu herbal medicine MSME in Sampang Regency also has weaknesses in terms of the technology used for the herbal medicine production process (Faridah and Fauziah, 2020).

The results of the EFAS matrix have 14 external factors which are divided into 7 opportunity factors and 7 threat factors, in the matrix there are 3 opportunity factors with the highest opportunity factor score, namely:

- 1) Increased public awareness of health due to the Covid-19 Pandemic with a score of 0.44. With the Covid-19 pandemic, many people are taking precautions to avoid the coronavirus, such as increasing the consumption of herbal medicine. This helps their immunity to increase. (Susilowati and Hikamatullah, 2021).
- 2) The second largest opportunity owned by PJ. Janor Koneng is the increase in demand for herbal medicine with a score of 0.44. After the Covid-19 pandemic, people are increasingly aware of the importance of maintaining health and endurance for a long time. One of them is by consuming herbal medicine.
- 3) The existence of a marketplace that supports the marketing of Madura herbal

products is the third opportunity for PJ. Janor Koneng with a score of 0.29. PJ Janor Koneng in marketing its products has used social media including: Facebook, Instagram, YouTube, and WhatsApp.

Meanwhile, there are 3 threat factors with the highest scores, namely:

- 1) Tight competition with large-scale herbal medicine companies in Indonesia with a score of 0.25. Competition with large companies with better management and launching various product variants. For example, competition with Sido Muncul, Purbasari, Air Mancur, and Iboe.
- 2) The tight competition with herbal medicine companies in Madura is the second biggest threat for PJ. Janor Koneng with a score value of 0.14. Herbal medicine companies in Madura that are competitors of PJ Janor Koneng include PJ Mrs. Abdullah's work, NY. Sumiati, and PJ Mustika Madura which are located in Pamekasan Regency.
- 3) The increase in basic electricity and fuel tariffs is the third threat for PJ. Janor Koneng with a score value of 0.11, because both are components of costs incurred by entrepreneurs in the production of herbal medicine.

Internal-External (IE) Matrix

Based on the results of the IE matrix mapping in Table 4.3, the IFAS total score of 2.88 and the EFAS total score of 2.62 indicate that the company's position is in cell V, a suitable strategy is market penetration and product development.

CONCLUSION

Contains conclusions with a widespread extension of the discussion of results Based on the results and discussion, it can be concluded that: Strategic priorities that can be applied by PJ. Janor Koneng Pamekasan Regency include: Maintaining and improving product quality, Increasing promotional activities and expanding marketing areas, Improving relationships with government and other institutions, Maintaining company image, and Developing cooperation with other industries outside the region. Alternative strategies that can be applied as an effort to develop PJ. Janor Koneng Pamekasan Regency include: Raw materials are met locally, Natural processed ingredients without a mixture of chemicals, Company reputation, Has expertise in formulating herbal medicine and public trust in Madurese herbal medicine.

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