



SWOT Analysis Training for SMEs in Serang, Banten Province

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ABSTRACT

Competitive advantage is one of the important things that all entrepreneurs have in various fields. Currently, more and more competitors are present in the market, making entrepreneurs inevitably have to increase their competitiveness, in order to remain superior to competitors. The way to achieve this can be done through SWOT analysis, where this method is used by entrepreneurs to find out what factors need more attention or even unconsciously missed. The main objective of the PKM activity is to increase competitive advantage by adding partner knowledge about SWOT (Strength, Weakness, Opportunity, and Threat). The partners targeted by the training team from the Faculty of Economics and Business, Tarumanagara University are creative product businesses located in Serang Banten. The activity material was presented in the form of PPT. The activity was carried out using the online training method through Zoom, assisted by 3 students. It is expected that after the training, partners are able to identify SWOT in their business so that they can increase their advantage over competitors from competitors.

Keywords: Competitive Advantage, SWOT Analysis, Training

1. Introduction

Business developments are increasingly competitive with each other, each business owner needs to maintain a competitive advantage. Competitive advantage is a concept that analyzes the economic state of a business activity which usually focuses on its ability to generate much greater income than the initial capital used (Yuleva-Chuchulayna, 2019). This comes from performance, financial, and business position advantages in the market which can also be interpreted as a very good position for a business compared to its competitors, as concluded by (Novita & Husna, 2020).

On the one hand, competitive advantage can be interpreted as a condition when entrepreneurs offer an advantage to consumers that is not owned by their competitors (Yuleva-Chuchulayna, 2019). The beginning of the creation of competitive advantage begins with the preparation of business development procedures that will be carried out by the company, then the company will analyze what the company's goals are and what policies the company can carry out to achieve its goals. Competitive advantage can be measured through various factors such as price, quality, delivery reliability, product innovation, and product sales time (Ardiansyah et al., 2022). The concept of competitive advantage Gaya et al. (2013) is a sustainable advantage when the company can defend the business from the onslaught of competitors and competitors cannot imitate the process, performance and potential produced. Wang (2014) competitive advantage is obtained when the organization develops or acquires a series of attributes that make it possible to outperform competitors.

SMEs as a business unit must have a competitive strategy, in order to survive in the long term. According to Porter (2011), competitive strategy as the development of a general formula for how the business will

compete, what goals must be achieved, and what policies to achieve these goals. It further explains four main factors in determining the boundaries that a company targets, namely: company strengths & weaknesses, industry opportunities & threats, community expectations, values embraced by key executives. Depiction of competitive strategy as shown in Figure 1.

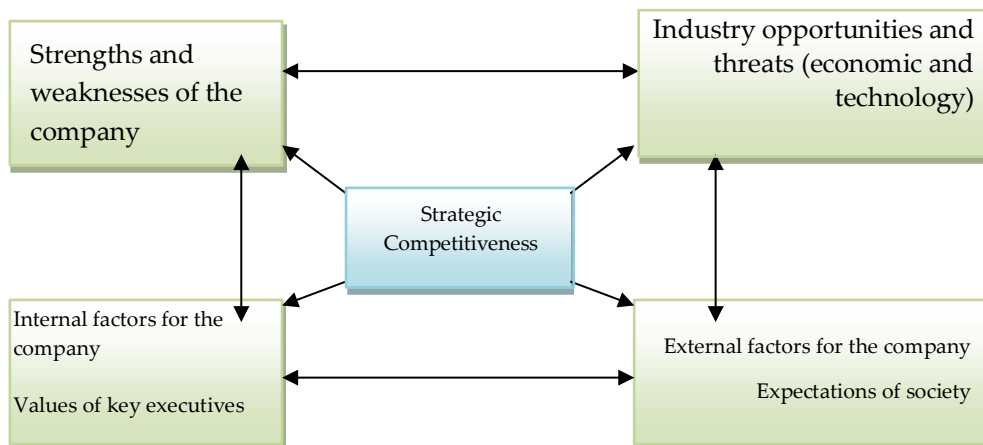


Figure 1. Formulation of Competitive Strategy

Source: Porter (1990)

In this quest for excellence, there are various methods that can be used, such as the SWOT analysis method. A method whose origins remain enigmatic to this day. Based on archival research, interviews with experts and a review of available literature, this paper reconstructs the SOFT/SWOT approach, and draws potential implications. As written by Purnomo et al. (2024) how to have various SWOTs and what should be added to the strategy. SWOT analysis which stands for Strength, Weakness, Opportunity, and Threat is one of the many forms of tools that can help entrepreneurs compete in the market, as said by Kumar & Praveena (2023), SWOT is a structured planning and evaluation method of various factors that are part of the business. Through this analysis we can determine the business factors that can be the main key to business success and also what can be developed so as to minimize the possibility for the business to fail.

The SME and MSME training program is intended as a form of effort in assisting business development with the hope that MSMEs will not be left behind compared to other businesses. Before starting the training, there will be a SWOT-based analysis of the MSME itself which will then be implemented in the form of material presentation packaged as input for partner businesses.

The team will find out what problems the partner businesses have after making observations, so that the team is able to help partners improve their competitiveness. Partners who will be the target of training are creative industries. Freire-Gibb & Lorentzen (2011) explains that awareness of the creative industry is getting higher. As in Banten province, various creative products have the potential to be developed (Figure 2).



Figure 2. Potential of Banten's Creative Industry

Partners sell various types of creative products with beads as the main ingredient. . With the main target of employees, housewives or others as lovers of creative products. Partner business location in Serang, Banten province. Seeing so much potential owned by partners of various types of creative products sold and the location occupied at this time, there are also other creative products, so partners face difficulties in terms of competition in the market. Therefore, it is important that SWOT analysis can be applied in minimizing the possibility of facing competition. Through the analysis that the team will conduct on the partner's business, the team will then assist the partner in order to increase its competitive advantage.

As written by Purnomo et al. (2024) how to have various SWOTs and what should be added to the strategy. Then, the results of another study concluded that it is necessary to implement the right strategy according to the results of the SWOT matrix, having an impact on the ability to increase its capacity through the use of the company's teamwork capabilities and experience to reach potential markets.

However, it is unfortunate that there are still few studies that discuss increasing competitive advantage by using SWOT analysis as a method in depth, leading to a lack of knowledge in this regard. Therefore, SWOT analysis was specifically chosen because it is a tool that is easy to understand for business owners. In addition, competitive advantage is a factor that is actually quite crucial but sometimes escapes the attention of SMEs as a result of not having sufficient understanding of this.

2. Methodology

Several stages of activities taken in realizing activities are grouped into 3 parts, namely:

- a) Preparatory stage: This stage is the stage where initial observations are related to the main problems of partners. In this stage, the main focus of activities are:
 - Knowing more deeply about the condition of the partners, which is done through in-depth interviews with offline business owners to find out the priority of the main problems that need to be addressed immediately.
 - Determining the team of students involved and preparing a proposal to be submitted to LPPM.
- b) Implementation Phase

Preparation of materials and determination of the schedule for the implementation of socialization were carried out. All needs for the implementation of socialization are prepared and divide the tasks with all members who are involved in what will be socialized to SMEs / SMEs, prepare various socialization procedures, prepare equipment, supporting infrastructure activities, deliver material about the importance of a deep understanding of competitive advantage, then end with a discussion.

- c) Final Results Stage

At this stage, an evaluation is conducted to assess the success of the program. Preparation of reports, accompanied by making outputs, both mandatory outputs in the form of publications and additional outputs in the form of writing articles and / or infographics.

3. Results and Discussion

3.1. Partner Business Location and Profile

The partner in this activity is Mrs. Siti Resmada, the business location is in Kp. Tanggul Jaya, Karangantu RT / RW 6/14 Serang City, Banten. The location map of the partner place is as the following figure:

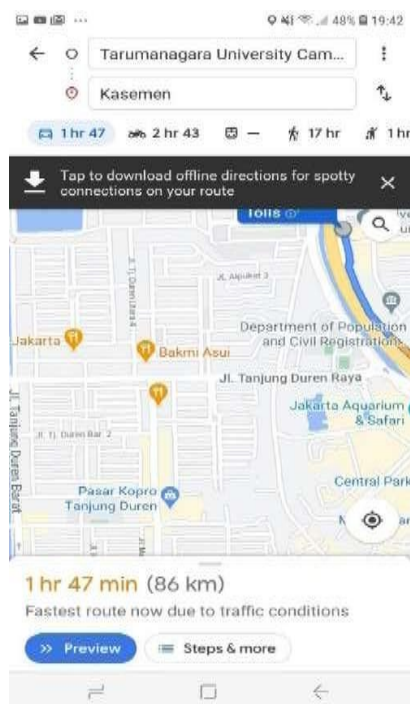


Figure 3. Partner's location map

In starting the business of Knitted Beads (Rajut Mute) business owners. Mrs. Siti Resmada is motivated by a passion in making various knitting handicrafts which are currently also developing to other handicrafts with a combination of knitting. Various types of knitted products are made ranging from bags, tablecloths, knitted clothing, household accessories and others. The following is an example of Mrs. Siti Resmada's Knitted Beads craft products:



Figure 4. Partner's Product

3.2. Model of Science and Technology (IPTEK) Transferred to Partners

This community service activity is related to providing knowledge about what partners need to pay attention to in leadership behavior using SWOT analysis. For this reason, the science and technology model that is delivered to partners includes:

- a) Understanding SWOT Theory: This method is used by many businesses to determine their business plan by evaluating their position in the market. In addition, this method is often applied to analyze the internal and external environment of the business, especially during difficult times (Benzaghta et al., 2021; Wu, 2020).

- b) Reasons for SWOT Analysis: SWOT analysis facilitates the process of achieving goals by analyzing the internal and external environment of the business.
- c) Factors Affecting Competitive Advantage: There are five factors that determine the competitive strength of an industry (Scott, 2024).
 - Competitive Competitors

Competition in the market is very influential when there are several competitors in one market with usually comparable quality which then causes consumers to be culturally divided such as having an iPhone, driving a Ford, or preferring Netflix over Vidio. Therefore, it is no coincidence that business competition is considered a war between competitors. Such competition can lead to price wars, high-priced marketing battles, and competition for the few advances that can mean competitive advantage. These tactics can stimulate companies to make better products but also erode profits and market stability. There are also several factors that can influence this such as the number of competitors, industry growth, similarity in offerings, barriers to exit, and fixed costs.

- Potential New Entrants in an Industry

Industries where new firms can enter more easily almost always have lower profit margins, and the firms involved have smaller market shares. Factors such as economies of scale, product differentiation, capital requirements, access to distribution channels, regulation, and switching costs are some of the things that can measure how much new entrants threaten an industry.

- Supplier Power

Suppliers are strong if they are the only source of essentials the company needs, can differentiate their products, or have strong brands. When the strength of suppliers in an industry is high, it increases costs or limits the resources the company needs. Considering the number of suppliers, uniqueness, switching costs, forward integration, and also the importance of the industry can help businesses measure supplier power.

- Consumer Power

When customers have greater power, they can put pressure on businesses to provide better products or services at lower prices. This power increases under certain conditions by looking at the number of consumers, purchase size, switching costs, price sensitivity, and well-informed consumers.

- Threat of Substitutes

When customers can find substitutes for goods or services in a sector, this is a major threat to companies in that industry. The price performance of substitutes/competitors, the willingness of customers to change their choice, the feeling that the two products are similar, and the availability of substitutes that are very similar to the company's product are things that further increase the possibility of this threat.

- d) Applying SWOT analysis

- Select a part of the business (e.g. mute knitting business) and set the objective of the analysis.
- Find out the state of the enterprise.
- List the strengths of the enterprise.
- List the weaknesses of the enterprise.
- Identify business opportunities and threats and classify them into categories.
- Determine the priority of the four elements.
- Relate each factor to the others (e.g. relate threat factors to strength factors so that the threat can be avoided).
- Apply the results of the matrix to business activities.

Delivery of training materials is conducted online through Zoom meetings. At the end of the activity, a pretest and posttest were conducted, regarding the delivery of the activity material that had been carried out. Partners were asked to answer a questionnaire about whether they understood the material that had been delivered after participating in the socialization activities. Using a Likert scale with the provisions: Do not understand at all (5), Do not understand (4), Somewhat understand (3), Understand (2), Completely understand (1). Based on partners' answers from filling out the pre-test and post-test presented in table 1.

Table 1. Recapitulation of Partner Answers

Indicator	Category	Answer	Percentage (%)
The material on understanding SWOT Theory has made mom understand	Do not understand at all	0	0
	Do not understand	0	0
	Somewhat understand	0	0
	Understand	0	0
	Completely understand	100	100%
The material about reasson of SWOT makes you understand	Do not understand at all	0	0
	Do not understand	0	0
	Somewhat understand	0	0
	Understand	0	0
	Completely understand	100	100%
The material on factors affecting competitive advantage makes you understand	Do not understand at all	0	0
	Do not understand	0	0
	Somewhat understand	0	0
	Understand	0	0
	Completely understand	100	100%
The material on SWOT analysis as a whole makes you understand	Do not understand at all	0	0
	Do not understand	0	0
	Somewhat understand	0	0
	Understand	0	0
	Completely understand	100	100%

The results of the evaluation of partners' answers to understanding the material were well understood. Evidenced by the answers of partners who 100% can understand the material presented.

4. Conclusion

The training, which focused on increasing the competitive advantage for MSMEs through the SWOT analysis method, was carried out through the provision of material in the form of presentation slides, which included, among others, the definition of competitive advantage itself, the benefits of SWOT analysis, factors that affect the competitive advantage of a business, and how to apply SWOT analysis to businesses so that businesses can achieve competitive advantage.

This training and socialization has been smoothly carried out online and material explanation is carried out through Google Meet. The smoothness was assessed based on the response and reaction of the partners; Partners were eager to receive the material presented by the team, as well as actively discussing during the training.

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