

---

**BUSINESS DEVELOPMENT STRATEGY OF CORN CHIPS AND FRIED CORN BUSINESS AS A SPECIAL SOUVENIR OF KUPANG, CASE STUDY ON SMALL MICRO BUSINESSES (UMK) IN SIKUMANA KUPANG**

Hironnymus Jati<sup>1</sup>, Tarsisius Timuneno<sup>2</sup>, Antonius Talu Popo<sup>3</sup>

1) Management Study Program - Faculty of Economics and Business, University of Nusa Cendana-Kupang Indonesia

2) Management Study Program-Faculty of Economics and Business at Nusa Cendana University -Kupang Indonesia

3) Business Administration Study Program at the University of Nusa Cendana-Kupang Indonesia

**ABSTRACT**

Human life needs are constantly changing from time to time due to the progress of the times, changes in patterns and lifestyles, both primary, secondary and tertiary needs. One of the primary human needs that is crucial to human existence on earth is food and drink that are always dynamic in line with changes in diet and the lifestyle of modern humans. The food and beverage industry is currently experiencing very rapid development both in terms of diversity of types and prices and with the support of advancements in communication technology makes it easy for producers (sellers) and buyers to transaction online. Everyone who visits an area for business, service or vacation not only enjoys regional specialties and food but always brings home souvenirs from the region. One of Kupang' s unique souvenirs that are always sought after by tourists who come to Kupang is corn Chips and fried Corn produced by UMK in Sikumana village - Kupang City in particular. The demand for souvenirs has increased so that other MSEs are included in the culinary industry, the competition is getting tougher and greatly affects the supply of raw materials, production and marketing. This study aims to determine the strategy of developing culinary business by analyzing internal and external factors. The study used qualitative primary data from MSEs obtained through interviews and secondary data from documented sources. Data is processed and analyzed descriptively qualitatively. The result shows that the two main strategies are market penetration, a change in strategy that focuses on better utilization of production technology, broader market development, and product development as needed, cooperating with corn producers and training on production workers.

**Keywords:** business development strategy, culinary, MSE, internal-external, souvenir

**1. Introduction**

Everyday a number of people are busy thinking and trying to complete their work successfully, while at the same time other people think of their merchandise, orders, shipments, customers, others think about how to produce something for others who have more value, and how to help people who are looking for jobs that shape the regional or state economy. The broad term that can be applied to many types of entrepreneurship is business and it will encourage the

pulse of the economy of a nation that is able to provide a means of improving living standards (Boone and Kurtz, 2007). Human life and its needs are inseparable from business because it is through business that a large number of human needs can be fulfilled on time and precisely quality with an affordable price level.

Business according to the two authors above is all activities and businesses to seek profits by providing goods and services needed for the economic system. Kasmir and Jakfar (Jati, 2015) emphasize that business can be interpreted as an activity or business to obtain profits in accordance with the desired goals and targets in various fields, both quantity and quality. Business Activity is an activity carried out by a person or a business entity that organizes resources owned to produce and provide goods and services that can provide satisfaction to consumers so as to create profits for business owners. Business people participate in a variety of activities, types, and scales of business always expecting exchange because of them there will be profits. Sancoko (2015) also concluded that business is all activities producing goods and services that aim to gain profits.

Profit is an important element in every business because it can be a motivator for achieving the goals desired and needed by every business person to develop, improve, and maintain business continuity dynamically. Profits are rewards for entrepreneurs who have the ability to face and manage risks in business with the help of human resources and technology to produce a variety of goods and services and then market them to satisfy consumer needs.

The purpose of business is not only to gain profits through the procurement of goods and services needed by the community effectively and efficiently, but also to achieve community welfare, to create jobs for the community, to improve the progress and economic growth of the community in general, and to show achievements and prestige of business people.

Benefits can only be achieved by those who grow and develop certain businesses whose types and scale of business vary according to the availability of capital, the ability of the owner to control the business and the number of workers involved in business activities so that they are known as micro, small, and medium enterprises (more popularly known as UMKM) and big business. In accordance with Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), Micro Enterprises are productive businesses owned by individuals and / or individual business entities that meet the criteria for assets of a maximum of 50 million rupiah and a maximum turnover of Rp. 300 million. Small-scale business is a productive economic enterprise that is independent, carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part of either directly or indirectly from Medium or Large Businesses which criteria Small Business namely assets up to Rp. 500 million and a maximum turnover of Rp. 2.5 billion.

The culinary business of corn chips and fried corn as Kupang special souvenirs produced by Mrs. Dartini owner of Fried Corn and Corn Chips, and Father Sukiati business owner Surya Nusratim Mandiri Corn Chips in Sikumana Sub district, Maulafa Sub district, Kupang City is classified as Micro and Small Business according to the criteria used by Law No. 20/2008 and World Bank criteria specifically for labor (Jati, 2014; Jati and Timuneno, 2014), namely the maximum asset value of IDR 50 million and a workforce of less than 10 people for Micro

Enterprises and maximum asset value of IDR 300 million with a maximum turnover of Rp 2.5 billion for Small Businesses.

The business of cracking corn and fried corn is a creative economy business that belongs to the culinary subsector which is one of the three sub-sectors of the creative industry which provides the largest contribution to the national economy ranging from 7.38% to 7.66%. The results of the special creative economy survey by Berkraft and BPS (2017) show that the three sectors that dominate the contribution of the creative industry to the GDP of the Republic of Indonesia are culinary with 41.69%, feysen 18.15%, and craft 15.70% from Rp 852 trillion when compared with the situation in 2010 only Rp. 525.96 trillion, an average increase of 10.14 percent per year. The three sub-sectors also dominated the export demand for creative economic products in 2015 with 7.14 million employment in the culinary subsector, feysen as much as 3.86 million and 3.64 million in the craft sub-sector, which overall absorbed employment in the economic sector creative reach 17 million people until 2017 (RI Creative Economy Agency, 2018).

The culinary or food and beverage business is the biggest contributor to GDP because not only is it related to basic human needs but there has also been progress in the times, changing patterns and lifestyles, especially efforts to meet the needs and desire to try food and beverages from various regions of the world in general and Indonesia in particular. The advancement of information and communication technology and human mobility from one region to another both for business trips, business and leisure people always try to enjoy special foods of a particular region, and not only enjoyed by themselves but there are also those who go home as souvenirs for families and his best friend.

On that basis, almost all regions in Indonesia, including the City of Kupang, have typical processed foods that can be used as souvenirs for domestic and foreign tourists, or anyone who visits Kupang City. The number of tourists visiting Kupang City during the years 2016-2017 was 6,500 and 13,000 respectively, which meant an increase which meant that demand for souvenirs was also expected to increase.

One of the unique souvenirs of Kota Kupang in addition to woven cloth which is always sought after by tourists who come to Kupang in particular or the mainland of Timor generally is the cracking of corn and fried corn produced by two Micro Enterprises and one Small business in Sikumana Village from 348 industrial businesses in City of Kupang. In addition to the three micro and small businesses, there are still many home industry players who also produce corn chips and fried corn but are not continuous and the market is still limited to the local market. The business of cracking corn belonging to Father Sukiati and fried corn owned by Ibu Dartini are two of 348 small micro industries and two of 27,483 small micro-businesses in the trade sector in the city of Kupang, leading to competition among producers and culinary traders.

The sustainability of the corn chips and fried corn business cultivated by micro and small businesses, such as Ayah Sukiati and Ibu Dartini is not only determined by the availability of resources and markets but is also determined also by the choice of strategies used in developing the business. If the owner incorrectly chooses and implements a business strategy, then surely the company's goals will not be achieved effectively and efficiently, and if this continues then surely the business they do will go bankrupt because they lose in competing with similar businesses.

For this reason, studies related to the strategy of developing the culinary business of corn chips and fried corn in both small micro-businesses need to be done because Kupang is the center of government and business activities so that triggering the emergence of the same business as a result will increase the level of culinary business competition.

## **2. Research Objectives**

The purpose of this study is (1) Knowing and describing the business strategy applied by the two business people, and (2) Formulate relevant and appropriate business development strategies for the business of corn chips and fried corn.

## **3. Research Questions**

Questions that must be answered through this research are: (1) What is the business strategy applied by the two business people?, and (2) What is the relevant and appropriate business development strategy for the business of corn chips and fried corn?

## **4. Research Methodology**

This research is a qualitative research so that a qualitative approach is used, namely certain social situations that describe certain phenomena (Sugiyono, 2015). Phenomena and social situations have three main elements, namely a place where actors (individuals or groups) do certain activities that interact with each other synergistically. This study does not use the population because it departs from certain cases from the phenomenon of production and marketing activities of fried chips and corn as one of Kupang's unique souvenirs, and the results of the study are not applied to the population, but are very likely to be transferred to other locations that have similarities or similarities with the case under study. Qualitative research uses informants as the main source of information and data needed which in this study used two informants namely Sinar Nusratim Mandiri corn cracker business owner and business owner of fried corn in Sikumana Village, Kupang City, which was deliberately chosen. Both were chosen because of their ability to create local cuisine to become a nationally known culinary delicacy as typical of Kupang City.

The primary data used in this study was obtained directly from the informants through semi structured interviews and direct observation of production and marketing activities in the business locations of each informant. Secondary data is obtained through physical documentation (production houses) and municipal publications. The data analysis technique used is data reduction, data presentation, and verification of data while data validation is used triangulation of sources and previous studies.

## **5. Literature Review**

The existence of food and beverage businesses in the world has actually been known since humans and society know civilization and the advancement of science, but this culinary business has become increasingly popular since the introduction of the economy and creative industries, and then the Indonesian government included it as one of the creative industry subsectors known as Culinary.

Culinary is literally interpreted as something used in cooking or related to cooking. Culinary which is more popular and is one of the cornerstones of modern economic growth as one of the sixteen sub-sectors in the creative economy, is an activity of preparation, processing, presentation of food and beverage products that make elements of creativity, aesthetics, tradition and local wisdom as elements most important in enhancing the taste and value of products to attract purchasing power and provide experience for consumers (Blue and Triady, 2015).

The four main points implied by the above definition make categorized food and beverage business as one of the creative economic sub-sectors, namely:

1. Creativity. Creativity in question is an aspect of new ideas that can add value to a food and drink. This creativity can be expressed through recipe creation, creation of processing methods, and creation of ways of presentation. The process of creativity does not always have to produce something that is 100% new, but it can be the development of something that already exists so that it has a higher and more attractive selling value on the market.

Corn chips, for example, are the creation of "corn titi" which is a typical food of the Lamaholot community which is domiciled in East Flores, Lembata and Alor regencies which have been manually produced in limited quantities, which are not long-lasting modern production and have longer storage period and greater production capacity compared to manual production processes. Or fried corn created by adding various flavors so that it is more interesting.

2. Aesthetics. The aesthetics referred to are aspects of the appearance of a food and drink arranged by paying attention to the element of beauty so that the culinary product has more value and is able to arouse the appetite of consumers to enjoy it. An example is serving traditional bese corn dishes along with se'i meat and Timorese "luat" sambal which would be more attractive to consumers than if they only served bese corn with vegetable "rumpu-rampe" (a mixture of papaya flowers, leaves of Moringa menus typical of East Flores; or a mixture of papaya flowers and swamp cabbage creations).

3. Tradition. Tradition is something that has been done for a long time and is part of the life of a group of people related to the habit of processing and consuming food and drinks inherited from generation to generation. The most basic thing about tradition is the information that is passed on from generation to generation both written and oral, so that a tradition is not extinct. This element of tradition is very important in preserving Indonesia's culinary cultural heritage. For example, making cu cur cakes, flower shake and corn titi for consumption needs during traditional ceremonies, wedding parties, and on religious holidays.

4. Local Wisdom. Local wisdom in question is the identity of an area in the form of truth that has been embedded in an area. Conceptually, local wisdom and local superiority are human wisdom that rests on traditional philosophies of values, ethics, ways and behaviors. Each region has local culinary and local wisdom as culinary characters in an area that should be appointed and introduced to the wider community.

The culinary business can not be separated from the traditional values and local wisdom of a region but also the current factor needed to increase culinary appeal is creativity because food or processed food generally in Indonesia is one of the cultural heritages and has a special attraction for culinary connoisseurs. The food and beverage business in general and culinary corn

chips and fried corn especially based on services are classified as "special foods" (Luzuardi and Triady, 2015) which are different from regular processed products such as restaurants and catering services because they are packaged products that can be food souvenirs. typical of Kupang.

The classification of culinary efforts in accordance with the study of Luzuardi and Triady (2015) is not yet detailed because this subsector was only known when the government initiated the creative economy (2011), but based on the 2015 Standard Classification of Indonesian Business Fields (KBLI) the culinary sub-sector scope is: Restaurants, Food Stalls , Food Store, Provision of mobile food or Permanent Places, Catering Services for a Specific Event (Event Catering), Provision of Other Foods, Bars, Night Clubs or Discos that Mainly Provide Drinks, Drinking Houses or Cafes, Houses or Stores Traditional Medicines, Bars Drinking, and Provision of Mobile Drinks or Fixed Places.

The business of corn chips and fried corn which is used as the object of this study belongs to the group 56290 Other Food Supply (version of KBLI) which is much in demand by a number of business actors, causing competition among the same business actors. Business people who manage the same business in Sikumana and neighbouring kelurahan in Kupang City have approximately a dozen units with an average distance of 1-3 kilometers so that there is intense competition in the corn chips business.

The observations of the researchers show that the corn chips and fried corn businesses that have been studied already have their own markets. However, it needs to be anticipated by formulating and implementing appropriate strategies in developing the culinary business of corn chips and fried corn compared to competitors. The success and continuity of the culinary business of corn chips and fried corn are also largely determined by the method or strategy used by the owner in managing the business when dealing with competitors in his business environment. The mission and objectives of the company will not be achieved effectively and efficiently without the selection and implementation of appropriate strategies, as concluded by Hamin and Larso (2016) that to achieve a company mission and goal, the strategic management for formulating the suitable strategy and implementing it needed .

Strategic management and environmental analysis, strategic formulation, strategic implementation, strategic evaluation and control, capacity utilization among others. The use of strategic management practice is considered as indispensable in small scale enterprises and MSME management policy for improving the organizational performance and face of global challenges (Pushpa and Poornima, 2014). Strategic management, especially when it's done, it's important for a long-term business success. When we say that a strategic business management, strategic management strategy is for its business activities, with clear, well-defined goals. The business will then create clear, well-defined plans that will bring action to achieve its goals and activities, so that the business will be in harmony with those goals. It also will allocate all the necessary resources to achieve those goals.

Strategy is a method used by companies or business organizations to achieve the desired vision, mission and goals. A strategy of a corporation that states how the corporation will achieve its mission and objectives. It maximizes competitive advantage and minimizes competitive disadvantage (Whellen and Hunger, 2012). Strategic management can be defined as

the art and science of formulating, complementing, and evaluating cross-function decisions that enable organizations to achieve their objectives (David, 211). According to David (2011), strategy is also interpreted as a potential action that requires a high level of management decisions and large amounts of company resources.

Strategic management is the process of examining both present and future environments, formulating and implementing decisions focused on achieving these objectives in present and future environments (Puspah and Poornima, 2014). In other works, strategic management is involved in deploying a firm's internal strengths and weaknesses to take advantage of its external opportunities and minimize its external threats / problems (Adeleke, Ogundele and Oyenuga, 2008). Strategic management as the process whereby managers establish an organization's long-term direction, specific sets of performance objectives, develop strategies to achieve these relevant internal and external circumstances, and carry out the chosen action plans (Thompson and Strickland (2003 , in Pushpa and Poormina, 2014) Strategic management is the organized development of the resources of the functional area: financial, manufacturing, marketing, technological, manpower etc, in the persuit of the objetives, 2011).

According to Durcker (1974), the prime task of strategic management is thinking through the overall mission of a business, i.e. asking the question what is our business? This leads to setting the objectives of decision making for tomorrow's decision for tomorrow's result. This should be done by balancing the present goals and needs of the future and the materials of men and materials.

Based on the above views, it can be concluded that the strategy is a form of comprehensive plan how the company will achieve its objectives with the support of resources that are owned or controlled in quantity and quality that are in accordance with the company's ability to implement the strategy. The purpose of strategic management is to exploit and create new and different opportunities for tomorrow; long range planning, in contrast, tries to optimize for tomorrow the trends today (David, 2011). The management strategy is actually all about how to obtain and maintain competitive advantage in the same business and industry or business and industry that produces replacement products. This means that everything the company has to do is better and special compared to its competitors.

Competitive advantage or the company's ability to outperform its competitors in the provision of goods and services in certain businesses known as business strategies. EBusiness strategy focuses on improving the position of a company 's or business unit' s products or services within a specific industry or the market segment that the company or business unit serves. Business strategy is very important because research shows that business units have the impact on overall company performance rather than corporate or industry effects.

Competitive business strategy (competitive against competitors) and / or cooperatives (working with one or more companies). Just as corporate strategy asks what industry (ies) the company should be in, a business strategy asks how companies should compete or cooperate in each industry (Whellen and Hunger, 2012). F Strategies are the long-term objectives will be achieved. Business strategy may include geographic expansion, diversification, acquisition, product development, market penetration, retrenchment, divesture, liquidation, and joint ventures

(David, 2011). It is this business strategy theory that will be examined in research on the culinary efforts of corn chips and fried corn as a specialty by the city of Kupang.

In general, a strategy of a corporation is a comprehensive master plan that states how the cooperative will achieve its mission and objectives. It maximizes competitive advantage and minimizes competitive competition. Corporate strategy describes a company's overall direction in terms of its general attitude toward growth and management of various business and product lines, the three main categories of stability, growth, and trenchment; business unit strategy or product level, and it emphasizes the improvement of the position of a company's products or service in the specific industry or market segment served by that business unit. Business strategy may fit within the two overall categories, competitive and cooperative strategies; and functional strategy is an approach taken by a functional area to achieve corporate and business unit objectives and strategies by maximizing resource productivity (Whellen and Hunger, 2011).

In practice these three types of strategies are carried out simultaneously in accordance with the needs and environmental changes faced by the company and in this study take the object of small micro-crackers and fried corn micro-enterprises that do not sort and recognize grouping types of management strategies such as the Whellen and Hanger view (2011); Glueck and Jauch (1990), also David (2011) so that the three types of strategies are applied simultaneously as well.

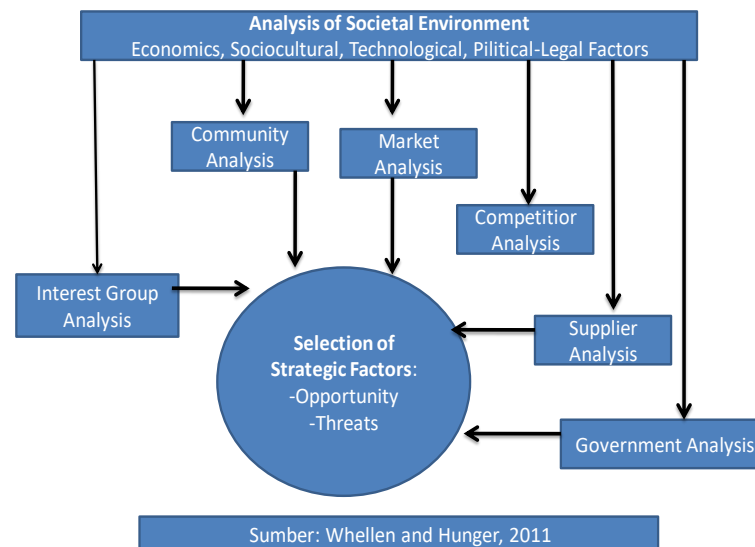
According to Whellen and Hunger (2012), David (2011) confirms that before an organization can begin strategy formulation, it must scan the external environment to identify possible opportunities and threats and its internal environment for strengths and weaknesses. Environmental scanning is the monitoring, evaluation and dissemination of information from external and internal environments to key people within the corporation. Its purpose is to identify strategic factors. This means that the initial stage of strategy formulation is environmental analysis (external and internal), formulating a vision, mission, and objectives. Then followed by the formulation of strategies and selection of strategies that can be applied in the business. Then the chosen strategy is implemented in the business, and finally evaluated and controlled. An analysis of the business environment is known as an analysis of strengths and weaknesses, or challenges, otherwise known as SWOT.

SWOT itself stands for Strength, Weakness, Opportunities, and Threats. SWOT analysis is a strategic planning technique that is useful for evaluating Strengths and Weaknesses, Opportunities and Threats (Threats) in a condition, both ongoing conditions and in product development planning and business expansion. SWOT analysis is a strategic planning method that is generally used to evaluate and assess strengths, weaknesses, opportunities and threats in a business or industry that will form the basis for the formulation of competitive strategies to obtain and maintain competitive advantage. The aim is to synergize these four factors (strengths-weaknesses, opportunities and threats) successfully about how to use internal strengths to overcome internal weaknesses, find and take advantage of opportunities, and strategies to deal with various threats, both directly and indirectly.

Any business environment can be classified into two, namely the external environment and internal financial. External environmental factors that influence company and business activities that contain opportunities and threats are: physical resources, economic strength, technological strength, political power and humum and socio-cultural strengths (in the form of



values, norms and habits of the local community). Meanwhile, the task environment includes elements or groups that directly affect a company and, then, will be influenced by the company. The groups in question are: government, local community, suppliers, competitors, customers, creditors, labour or trade unions, special interest groups, and trade associations (Whellen and Hunger, 2011; David, 2011; Glueck and Jauch, 1990). The external environmental components are clearly presented in the following figure.



The policy of the provincial government of East Nusa Tenggara which requires every household to consume local food twice a week and tourists visiting Kupang become an opportunity for MSEs to crack corn and fried corn to develop their business. The use of local raw material suppliers (corn) that have a distinctive taste compared to corn from the outside is a distinct advantage for businesses in developing their business.

All organizations have strengths and weaknesses in the funtional area of business, and no enterprises are equally strong or weak in all areas, different types of business or organization, the functional business area, of course, differ (David, 2011). In general, the internal environment of organizations and markets, financial conditions and accounting, production and operations, human resources, organizations and management, management information systems (Umar, 2003; David, 2011). Another view related to competitive advantage in business is the Resources Based View (RBV) approach to competitive advantage, contending that internal resources are more important in achieving competitive advantage, that organizational performance will be primarily determined by internal resources. can be grouped into three all encompassing categories: physical resources, human resources, and organizational resources (Barney, 1996). Physical resources include all plant and equipment, location, technology, raw materials, machines; human resources include all employees, training, exoerince, intelligence, knowledge,

skills, abilities; and organizational resources including firm structure, planning processes, information systems, patents, trade marks, copyrights, databases, and so on (Davis, 2011).

According to Barney (1996), RBV theory asserts that resources are actually what helps a firm exploit opportunities and neutralize threats. The basic premise of the RBV is that the mix, type, amount, and nature of a firm's internal resources should be considered first and foremost in strategies that can lead to sustainable competitive advantage. A resource is valuable, it must be either (1) rare, (2) hard to imitate, or (3) not easily substitutable, that often called as empirical indicators.

Prior to the implementation of the selected strategy, it was of course preceded by an evaluation of the strategy applied previously or currently by business owners of corn chips and fried corn. Meanwhile, the business strategy which focuses on the position of a corporation or business units through distinctive industry or current market. Business strategy, which is a competitive advantage for companies that have a competitive advantage in the industry. (Wheelen & Hunger, 2012). While business development according to Pollack (2012) business development is the creation of long-term value for an organization from customers, Markets, and relationships.

Any business development emphasizes the three main aspects of customer, market and the relationship between producers and consumers or customers as one of the factors that determine the sustainability of the business including the emping ginger business and fried corn. In this study, research was limited to internal and external analysis and the selection of business development strategies that were in line with the culinary business of corn chips and fried bread using Ansoff's views; Whellen and Hunger (2011) and David (2011).

## **6. RESULTS AND DISCUSSION**

The business of Father Sukiati's emping corn which is located in the Maulafa Urban Village of Kupang City has been operating for ± 12 years with the help of production workers currently reaching 11 people excluding one person in charge of production, administration and management of one person, marketing of one person and leader of the owner. There are 5 workers from outside, while 6 family workers, all of whom are paid and live inside, also prepare food for employees. Workers from outside generally have education, knowledge, experience, and skills as well as low work ability which hampers production activities. For this reason, cooperation with the University of Nusa Cendana through LP2M has been carried out in training for employees in the corn chips business owned by Father Sukiati, while in micro business Mrs. Dartini is only carried out business assistance.

The production capacity every day is an average of 375 kg of shelled corn with a heavy shrinkage rate of 32% so it will produce corn chips with an equivalent of 225 kg during the dry season. The company's boiling process of corn initially used direct wood fuel but because it was risky, it then used steam energy from the wood combustion which was channeled with pipes to the stove so as not to damage the roof of the building (PKM results from the University of Nusa Cendana Kupang).

Meanwhile, drying emping relies on the sun's rays so the company experiences its own difficulties when the rainy season arrives. To overcome this, technology has been introduced to

use ovens that can use gas or electricity. However, based on the results of interviews with management and observations, it was obtained information that drying using an oven costs more than daylight, capacity per day is only 50% of the norm capacity (375 kg of raw material), and there is a risk of burning if it is late released from the oven. This tool does not have an indicator that gives a sign that the chips are dry so they are immediately removed from the oven.

The marketing is done through modern markets and shops in Kupang City, which currently reaches 40 customers in addition to serving special orders from the TNI office in Kupang for the annual Navy anniversary event in Surabaya. This company has also been serving orders from Timor Leste even though it is not routine every month. Corn chips are generally packaged in sizes of 300 grams which are sold for Rp. 12,500 (factory price) so that one kilogram is equivalent to Rp. 42,000 while the retail price is Rp. 14,000.

Meanwhile, Dartin initially started its business with fried corn business (foreign and sweet flavors), egg beans, pastries, soybeans and then saw the opportunity for the market needs of corn chips and then developed corn chips but in a smaller capacity. The location goes inside  $\pm$  700 from the main road and 25 meters from the entrance hall and is not equipped with a sign so people from outside will find it difficult. Fried corn production capacity as the main product reaches  $\pm$  127.5 kg while the corn chips are  $\pm$  85 kg. The raw material for corn is obtained from the outside through the Kupang Logistics Agency, while peanuts are supplied from East Sumba. The workforce involved in production activities is 4 people but is not bound so that it can vary every day, in addition to the owner (husband and wife) who are directly involved in production and marketing activities. The quality and behavior of workers here is also low and only relies on their physical abilities, willing to work when experiencing financial difficulties. Only two permanent workers are added to the owner.

Kupang typical souvenir products produced by Ms. Dartini are marketed through shops and supermarkets in Kupang City. The selling price of fried corn at the factory level of each packaging is: (1) Rp. 4,000 for a size of 250 grams, (2) Rp. 9,000 for a size of 500 grams and (3) Rp. 18,000 for a one kilogram package. High demand occurs during religious holidays, holidays and events involving the general public. Just like Sukiat's emping business, this business pays little attention to promotions but is often involved in exhibitions and local food processing competitions, and even often borrowed by the UKM and industry and trade, and Cooperative Service to attend exhibitions in other regions.

Dartini's corn chips business only produces in the summer because drying depends on the eyes of the day while fried corn is still produced throughout the year. Despite the decline in production capacity in the rainy season the owners try to maintain the market and maintain the trust of customers. The decrease in the production capacity of corn chips and fried corn is dealt with by producing egg beans.

The two businesses are always trying to reduce costs so that the market price is affordable for all consumers because of the increasing number of similar businesses in the same environment without ignoring the quality of distinctive flavors with different volumes / contents (300 grams generally 250 grams) so that they have different values for consumers. What has been done by MSEs is known as the lowest cost strategy and differentiation from another perspective (Sancoko, 2015).

A business organization can only win business competition in the long run, if it has the right method or strategy, including through alignment of resources owned and controlled while paying attention to the target market and its business environment.

The internal environment normally has direct implications for the performance and continuity of business organizations. The company's internal environment analysis is a planning process that examines the field of corporate marketing and distribution, research and development, production and operations, resources, employees, finance and accounting to analyze the strengths and weaknesses of each of these functions so that companies can take advantage of opportunities by the most effective and can handle threats. This factor is actually the key to the success of the business if it is managed well because each business actor has its own uniqueness that is difficult to imitate, especially spices, the perceived value of customers and the use of flexible technology.

Pearce II and Robinson (2013) Defining the external environment are factors beyond control that influence the choice of the company regarding direction and action, which in turn also affects the organizational structure and internal processes. The environment for the business of fried corn chips and corn belongs to Father Sukiati and Mrs. Dartini are similar business competitors, suppliers of raw materials and auxiliary materials, customers (supermarkets and shops), and the labor market. Macro external environment that directly or indirectly affects business performance and sustainability is the economy (community income, lifestyle), government (policy on the development of culinary MSEs), socio-culture, and technology. Technology which means the availability of technology, ease of access and use in the production and marketing activities of corn chips.

The results of the study show that the two businesses use the current market penetration strategy for products and customers except Small Businesses owned by the father of Sukiati who have tried to enter new markets across countries, namely Timor Leste but are still in the trial phase. In the future it is expected that there will be a continuation of cross-border trade. Furthermore, based on the analysis of strengths and weaknesses coupled with the opportunities and threats of the corn chips and fried corn business environment of each business actor, the business development strategy that is deemed relevant is summarized in the following table:

**Table 1** Development Strategies for Fried Chips and Corn Business with a SWOT Approach.

<p>Description</p>	<p>Strength (S):</p> <ol style="list-style-type: none"> <li>1. Having better flexible production technology.</li> <li>2. Has experienced staff in the production and business of corn chips and is well known.</li> <li>3. Good business management (P, O, L, C)</li> <li>4. The business location is wide and safe.</li> <li>5. A typical local flavor. Weakness (W):</li> </ol> <ol style="list-style-type: none"> <li>1. Operational HR quality is relatively low.</li> <li>2. Limited employee work experience.</li> <li>3. Lack of promotion.</li> <li>4. Limited flavor variants.</li> <li>5. Product diversification is still limited.</li> <li>6. Drying still relies on sunlight.</li> </ol>	<p>Weakness (W):</p> <ol style="list-style-type: none"> <li>1. Operational HR quality is relatively low.</li> <li>2. Limited employee work experience.</li> <li>3. Lack of promotion.</li> <li>4. Limited flavor variants.</li> <li>5. Product diversification is still limited.</li> <li>6. Drying still relies on sunlight.</li> </ol>
<p>Opportunity (O):</p> <ol style="list-style-type: none"> <li>1. The population of Kupang city reaches 412,708 people.</li> <li>2. The average tourist visit is 7,150 people per year.</li> <li>3. Changes in people's consumption patterns.</li> <li>4. Kota Kupang is the center of government, business and education in NTT.</li> <li>5. Every year there are local food competitions and local</li> </ol>	<p>SO Strategy</p> <ol style="list-style-type: none"> <li>a. Increase natural feeling by reducing the use of raw materials from outside.</li> <li>b. Increase production to reach opportunities for increasing consumers and markets.</li> <li>c. Development of a wider marketing network through collaboration with super-markets, shops, and government institutions.</li> </ol> <p>WO Strategy</p> <ol style="list-style-type: none"> <li>a. Cooperating with universities or vocational training center to</li> </ol>	<p>WO Strategy</p> <ol style="list-style-type: none"> <li>a. Cooperating with universities or BLK to provide training to employees to improve employee quality.</li> <li>b. Participate in local food fairs and competitions.</li> <li>c. Promotion by installing a signboard on the business location.</li> <li>d. Innovate by adding flavor variants according to changing consumer tastes.</li> </ol>

<p>and national exhibitions.</p> <p>6. Availability of local raw materials (corn-beans).</p> <p>7. A good working relationship with the Kupang Navy and supermarket in Kupang</p>	<p>provide training for employees to improve employee quality.</p> <p>b. Participate in local food fairs and competitions.</p> <p>c. Promotion by installing a signboard on the business location.</p> <p>d. Innovate by adding flavor variants according to changing consumer tastes.</p> <p>e. Using "online" social media as a means of promotion and sales.</p>	<p>e. Using "online" social media as a means of promotion and sales.</p>
<p>Threat (T):</p> <p>1. The emergence of businesses that are similar and relatively close to their location.</p> <p>2. Raw materials are partially fulfilled from outside NTT.</p> <p>3. Changes in season.</p> <p>4. Karywan often</p>	<p>ST strategy</p> <p>1. Maintaining quality and natural taste.</p> <p>2. Conduct cooperation with corn farmers to guarantee the supply of local raw materials.</p> <p>3. Using technology that is in accordance with seasonal changes and the availability of labor</p>	<p>WT Strategy</p> <p>1. Drying during the rainy season uses oven technology.</p> <p>2. Diversify products by utilizing available technology and resources.</p> <p>3. Providing incentives according like as work performance to maintain experienced employees.</p>

If using the Igor Ansoff matrix, the strategies developed are:

**Table 2** Development Strategies for Fried Culinary Corn and Corn Chips Business.

		Product	
		Now	Future
Market	Now	<p>Market Penetration / Growth: Improve service to existing markets with fried chips or corn products.</p>	<p>Product Development: Selling products (fried corn, egg beans, soybeans) on existing markets.</p>
	Future	<p>Market Development: Selling products that are currently on the market / new customers / customers</p>	<p>Product Diversification: Produce and sell egg nuts or fried chips and corn flavors on new markets / new customers.</p>

**Sources: table 1**

The business development strategy is generally different from one company to another, even though in the same industry, the results of the study are strategies for developing the culinary business of corn chips and fried corn in Kupang City. A suitable strategy to be applied by the culinary business of corn chips and fried corn is market development and product diversification. The results of this study are also supported by the results of Ruslim and Indriyani (2015) in PT ABC that the formulation of strategies suitable for use by PT ABC is market development that aims to reach distributors in all corners of the region. The results of the study conducted by the authors are almost in line with Sanjaya (2015) who found that an alternative strategy that is suitable for Blessing Depot is business development by improving internal functions and opening new outlets in other locations for business development in Blessing depots. Sancoko (2015), who reviewed the strategy of developing food and beverage business in Surabaya's Time To Eat Depot found that the strategy relevant to the business he studied was a strategy to focus on certain markets, namely consumers of school children and pickers near the depot and church members. before and after worship near the depot.

The choice of strategies suitable for the development of the culinary business of corn chips and fried corn (SWOT matrix) in the two companies studied is also supported by previous research conducted by Ranusono, et (2017), Value proposition offered in the competitive form of adjustment of product pricing, dynamic innovation products, unique brand names, and online support systems. Channels are built through direct channels and indirect channels. Customer relationships built by the management through social media, social networking, and the market place. Entered CV Adistia Makmur Sentosa business comes from retail sales outlets, sales at specific events, and direct orders for meetings, seminars, and more. Key resources CV Adistia Makmur Sentosa form of tangible and intangible assets. Activities keys or Key The activity of this business is the provision of raw materials, sales outlets, offices and operational activities of product processing, and maintenance partners. Current Adistia Makmur Sentosa CV has partners with raw material suppliers, craftsmen and artists, iron makers of packaging, delivery services, and support equipment outlets. Cost structure consists of raw material costs, employee salaries, warehouse rental costs, operating costs, and marketing costs.

Starting from the results of this study and previous research confirms that each business has a different development strategy even though it is in the same business, in the same industry or in a different business. This means that the selection and application of business development strategies must be in accordance with the demands of the business environment and must support the realization of the objectives to be achieved by business owners and managers who are motivated by profit or profitability. This conclusion is in line with the results of research by Pushpa and Poornima (2014) that the strategic management has an effect on the performance of MSMEs. Also, the implementation of strategic management has a positive relationship with organizational profitability. Therefore, it is recommended that appropriate strategic planners.

## **6. CONCLUSION**

Based on the descriptions above it can be concluded that: (1). Internal resources possessed by corn chips and fried corn businesses as supporters of the implementation of business strategies and maintaining their existence in the culinary business are: physical resources include business locations, technology, production equipment, and local raw materials that have natural taste; human resources that include intelligence, knowledge of emping products, work skills, willingness to work, and abilities possessed; and organizational resources, especially trademarks, copyrights, and business management (planning, organizing, leadership and controlling); (2) The business strategy that has been applied so far by the two informants is market penetration, and to ensure the availability of raw materials is carried out through cooperation with corn farmers at prices higher than outside supply. This strategy can be said to be effective so that the company can maintain its business sustainability to date; (3)

The use of better and flexible production technology in accordance with climate change and fuel availability; (4) The existing marketing network is maintained and broader development efforts in new areas or across countries; (5) Increasing the ability and willingness of employees to work through training; (6) The appropriate business strategy is product development (new flavors), product diversification and market development both domestically and abroad, especially to Timor Leste.

### **Acknowledgement**

Thank you to the Chancellor of Undana, Chair of the LP2M and Dean of the FEB University of Nusa Cendana who have approved and funded this research activity.

### **References**

1. The Indonesian Creative Economy Agency and the Indonesian Central Bureau of Statistics, 2017, Statistics and Results of the Creative Economy Survey, Collaboration between the Indonesian Creative Economy Agency and BPS, the Creative Economy Agency, Jakarta.
2. RI Creative Economy Agency, 2018, Creative Economy Will Become the Backbone of the Economy, press release Head of the Creative Economy Agency in Denpasar-Bali
3. Barney, J.B., Teori Berbasis Sumber Daya dari Firma, Ilmu Organisasi 7, 1996, hal.469
4. Boone, E.Louis dan David L.Kurtz, 2007, Bisnis Kontemporer, 11th., Terjemahan Ali Akbar Yulianto dan Krista, Salemba Empat, Jakarta
5. David, Fred.R., 2011, Manajemen Strategis: Konsep dan Kasus-13, edisi, Prentice Hall, NJ.
6. Glueck, F.William dan Jauch, R. Lawrence, 1990, Manajemen Strategi dan Kebijakan Perusahaan, Edisi Kedua, Erlangga, Jakarta
7. Hamim Muhammad Gilang Perdana dan Dwi Larso, 2016, Strategi Pengembangan Usaha Start-Up Kuliner: Studi Kasus Kedai Mas Gibo, Jurnal Inovasi dan Kewirausahaan Vol. 1, No.1, 2016: 29-42
8. Jati, Hironnymus, 2015, Studi Kelayakan Bisnis, Edisi Kedua, Undana Press, Kupang



9. Jati, Hironnymus dan Tarsisius Timuneno, 2014, Faktor-faktor yang Mempengaruhi Pengembangan Bisnis Mikro Kecil di Kota dan Kabupaten Kupang, Jurnal Nusa Cendana, Volume XV Nomor 4 Oktober 2014, Hal.2349-2365, ISSN: 1411-2396, Lembaga Penelitian Universitas Nusa Cendana.
10. Jati, Hironnymus, 2014, Pola Investasi dan Pendanaan Usaha Mikro Kecil (Teori dan Hasil Empiris), ISBN: 978-979-24-6827-4, Lembaga Penelitian Undana
11. Lazuardi, M., dan Triady, M.S, 2015, Ekonomi Kreatif: Rencana Pengembangan Kuliner Nasional 2105-2019, PT. Replik Solusi
12. Pearce II, Jhon A. & Robinson Jr, Richard B., (2013). Manajemen Strategis: Formulasi, Implementasi, dan Pengendalian, Buku 1, Edisi 12. Salemba Empat. Jakarta.
13. Pollack, Scott, 2012, What, Exactly, Is Pengembangan Bisnis ?, tersedia <https://www.forbes.com/sites/scottpollack/2012/03/21/what-exactly-is-business-development/#5a1b0f197fdb> / diakses 9 November 2018.
14. Pushpa Hongal dan Poornima Charantimath, 2014, Manajemen Strategis-Alat untuk Pertumbuhan Usaha Mikro Kecil dan Menengah [UMKM] Sebuah Studi, Jurnal Internasional Penelitian Inovatif dalam Rekayasa & Manajemen (IJIREM), ISSN: 2350-0557, Volume- 1, Edisi-2, September-2014; hlm: 5-9
15. Ranusonon Harpa, Aida Vitalaya, dan Kirbrandoko, 2017, Pengembangan Strategi Bisnis: Analisis Bisnis Kuliner (CV Adistia Makmur Sentosa), Jurnal Internasional Ilmu Pengetahuan dan Penelitian (IJSR), Vol.6., Edisi 9, September 2017, pp : 1392-1396, ISSN (Online): 2319-7064
16. Ritson, Neil, 2011, Manajemen Strategis, Neil Ritson & Venus Publishing ApS, Unduh ebook gratis di [bookboon.com](http://bookboon.com)
17. Sancoko, Aldo Hardi, 2015, Strategi Pengembangan Bisnis Usaha Kuliner Makanan dan Minuman Pada Depot Waktu Makan Surabaya, Jurnal Agora, Vol.3, No.1, 2015, hlm: 185-194
18. Sanjaya, Stanly, 2015, Strategi Pengembangan Usaha Pada Depot Berkah di Kupang-Nusa Tenggara Timur, Jurnal Agora, Vol.3, No.2, 2015, hlm: 167-174.
19. Sugiyono, 2015, Metode Penelitian Manajemen, Alfabeta, Bandung
20. Umar, Husein, 2003, Manajemen Strategi dalam Aksi, Gramedia Pustaka Utama, Jakarta
21. Whellen, L.Thomas and Hunger, J., David, 2012, Manajemen Strategis dan Kebijakan Bisnis, Edisi Ketiga Belas, Person, Singapura.