

Business Sector Development for Multi Region

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Abstract: A sub-district is included in the Agropolitan Ngawasondat Strategic Area, which has the potential of leading sectors in agriculture and livestock. Leading agricultural sector in pineapple, soursop and papaya commodities. Whereas the leading sector of livestock in dairy cattle commodities. However, the sales are more in the form of raw and the production level of the MSMEs processing has not been maximized. And MSMEs have difficulty in marketing products, because there is no influence of tourist attractions on the district's leading sectors. The initial step is to determine the leading sector with the Location Quotient method, it is found that the tourism sector and three commodities (pineapple, dairy cattle, and soursop) are the leading sectors. The results of the assessment of the MSMEs independence instrument with the CIMOSA method were conducted on six processing MSMEs, with one MSME that met the independence requirements with a score of 74.28%. Based on the results of the independence assessment, a strategic plan was formulated using the SWOT method by combining the delivery of MSMEs products to B and C. The merger was able to produce a creative culinary house.

Keywords: Agropolitan Ngawasondat Strategic Area, Strategic Planning

1. Introduction

In this part, the research background, problem formulation, and research objective will be shown.

1.1 Research Background

Regional development is the main objective of establishing a government in East Java Province. The development was supported by the establishment of district areas in East Java Province. Based on Law No. 2 of 1965 concerning the establishment of regency areas in the environment, Regency has an area of 1,386.05 km² or 138.605 Ha divided into 26 sub-districts with 343 villages 1 (RPJMD Regency 2016-2021, 2016) Regional development in the agricultural sector can be a base if supported by tourism, trade and industry that are competitive and sustainable. A sub-district is one of the sub-districts which has become a strategic area for the agricultural sector as a center for the development of superior commodities such as pineapple, papaya and dairy cattle. The strategic area is called the Agropolitan Ngawasondat Strategic Area. According to the Head of the Regional Research and Development Agency, 2018, it was found that A District was a potential soursop producer. In addition to the agricultural sector, there is a growing tourism sector with a total of 276,781 people or 56.08% of tourists. The increase in the number of tourists and the number of superior commodity products in the District of A are not in tandem. This is because there is no influence of tourism and MSME production that has not been maximized. Local MSMEs processed products have not been sold at tourist attractions, so that MSMEs require product shipping costs up to 150 km and require delivery time. According to the SIDa

Road Strengthening Roadmap in 2017 (2017), there were problems with the imbalance between A sub-district's local product supply and demand. Therefore, this study combines B and C as sales of products from A, as well as the location of A product development. This is because in Surabaya, the market is broader and more attractive than in A. Making Creative Culinary Houses made in Surabaya.

1.2 Problem Formulation

Based on the finding above, the problem that will be solved in this research is how to develop a strategic plan for the region of Regency, especially A District based on the advantages of local commodities and combining with B and C to make Creative Culinary Houses

1.3 Research Objective

Based on the problem formulation, the objective for the research are (1) Identify superior commodities in A District, Regency.(2) Identify SMEs that can be used as excellent agricultural potential, (3) Implementing an instrument for evaluating the independence of the existing conditions of SMEs and tourism in A District, and (4) Determine the possibility of integration between the potential of SMEs A and C, B to create a Creative Culinary House.

2. Methods

In this part, first the research procedure will be discussed. Then the method of collecting data will be presented. After that an example of the result from data collection will be presented. This includes CIMOSA worksheet.

2.1 Research Procedure

The procedure of conducting the research is pictured in the figure 1 below:

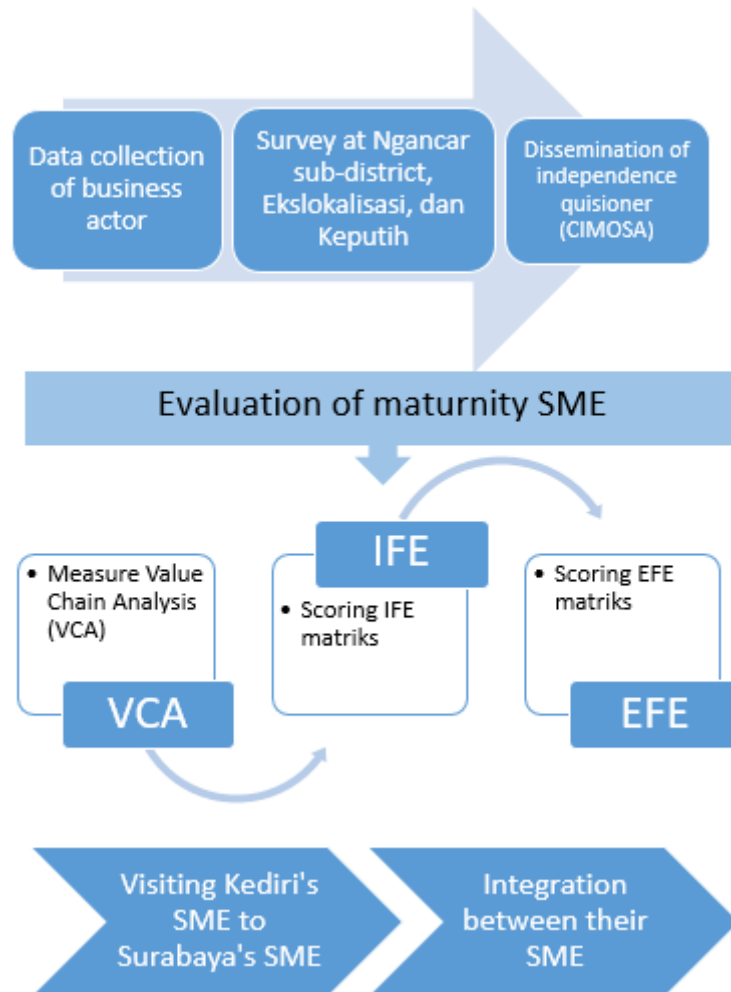


Figure 1. Research Procedure for Integratation from collect SME’s data until integratation between SME in A , B Surabaya, and C Surabaya

3. Result And Discussion

In this part, the result of the data collection will be presented. The CIMOSA worksheet will be shown and discussed. At the end of the part, a thorough discussion about the finding will be done.

3.1 Superior Comodities at A sub-district

For this evaluation, the writer use Location Quotient (LQ) method. Below is the formulation for this method:

$$LQ = \frac{K_i/L_i}{K/L} \tag{1}$$

Information:

- i = sector or comodity name
- K_i = number of sector production or comodity i for each sub-district
- K = total number of sector production or comodity for each sub-district
- L_i = number of sector production or comodity i for each district
- L = total number od sector production or comodity for each district

From those formulation, superior comodities in A sub-district are pineapple, dairy cow, soursop. For papaya, they ever be superior comodities but lately their production has decrease.

3.2 Excellent Agriculture SME's

Forum Group Discussion ever happen in A sub-district. From those discussion, we can get conclusion is excelent agriculture SME's in A sub-district are:

- Murni Mandiri MSMEs (by the Collection Father) produces pineapple juice drinks.
- Lagita MSMEs (by Mrs. Karnia) produces dodol, jam, and pineapple sauce.
- Mitra Rasa (MSMEs) MSMEs produces pineapple crackers, soursop crackers and corn crackers.
- Woven Pineapple MSMEs (by Mr. Seger) produces processed woven pineapple skin.
- SME E (by the Collection Father) produces yogurt derived from dairy cow milk.
- Langeng Koperta (by Mr. Endro) oversees several MSMEs producing pineapple, soursop, dairy cow milk, and papaya.

3.3 CIMOSA worksheet

This method we use for describe and evaluation about business process in A sub-district. We can get conclusion if they can't handle for Creative Culinary Housea. Below is the result of the evaluation use *Computer Integrated Manufacturing for Open System Architecture (CIMOSA)* worksheet:

Table 1. A table with headings of Computer Integrated Manufacturing for Open System Architecture worksheet^a.

Elemen CIMOSA	SME A	SME B	SME C	SME D	SME E	SME F
	Element value	Element value	Element value	Element value	Element value	Element value
SD	0.228	0.228	0.146	0.228	0.126	0.342
SS	0.279	0.29	0.225	0.25	0.141	0.345
DB	0.126	0.117	0.083	0.112	0.059	0.13
DP	0.234	0.267	0.22	0.25	0.166	0.297
GD	0.352	0.366	0.33	0.407	0.192	0.409
FO	0.488	0.48	0.397	0.433	0.296	0.63
SP	0.093	0.14	0.186	0.14	0.047	0.186
HR	0.091	0.119	0.039	0.091	0.032	0.183
FP	0.102	0.091	0.049	0.094	0.047	0.157
IT	0.071	0.06	0.04	0.099	0.04	0.159
MP	0.075	0.064	0.046	0.055	0.046	0.132
Nilai Kemandirian	53.50%	55.55%	43.99%	53.96%	29.81%	74.28%
Mandiri	x	x	x	x	x	√
Nilai ≥ 2,5	x	x	x	x	x	√
Nilai ≥ 62,55	x	x	x	x	x	√

From those table, we can get conclusion that all SME needs help for their SME's. And Integration with B and C can help them about marketing and decrease cost.

4. Conclusion

Based on the fiding in the result and the discussion above, the conclusion for this research are:

1. The base sector in A District is the agricultural and tourism sector. The agricultural sector which belongs to the base sector is the pineapple, soursop, dairy cow and papaya commodities. So that this proves that A sub-district is still a strategic area for agropolitan ngawasondat. However, it needs to be developed again for papaya commodities because it has decreased every year. The second sector is the tourism sector, where the A District is able to become a tourism base sector from various regions.
2. MSMEs in A Subdistrict which are included in the superior agricultural potential of MSMEs are six, namely Langgeng Mulya Koperta, Mitra Rasa MSMEs, Murni Mandiri MSME, Woven MSMEs, Yoghurt MSMEs.
3. MSMEs in A Sub-district which is included in independent MSMEs namely Langgeng Mulya Koperta. This is evidenced by a value that is never below two and has a value above 62.55. For other MSMEs, it is necessary to improve existing strategies and conditions in order to be able to achieve the desired value of independence. With the value of independence, MSMEs can meet the maximum demand they can.
4. The strategic plan that is carried out with integration is that it can reduce shipping or shipping costs by cooperating in the Creative Culinary House, if no shipping is done, it is found that the first agricultural value margin is Rp. 15,997.00 / kg of papaya fruit and at the margin value processing in pineapple fruit Rp. 15,974.00 / kg pineapple fruit.

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