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## Increasing the Advantages of Home-Based Tempeh Chips Business Using SWOT Analysis

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**Abstract:** Every business entity must be prepared to face fierce competition to maintain its position in the market. The diverse range of business sectors demands entrepreneurs to continuously enhance their competitiveness to sustain profitability and thrive in a dynamic environment, including Tempe Chips producers. Through SWOT analysis, entrepreneurs can identify internal strengths to build competitive advantages. Hence, the author is interested in researching this aspect to understand the role of SWOT analysis in enhancing the competitive edge of homemade tempeh chips. The research method employed is qualitative descriptive with a literature review. The findings indicate that SWOT analysis enables companies to holistically evaluate their market position by considering internal and external factors affecting their business. With a better understanding of strengths, weaknesses, opportunities, and threats, companies can identify appropriate strategies to leverage their strengths, address weaknesses, and capitalize on market opportunities.

**Keyword:** Business, Tempeh Chips, SWOT

### INTRODUCTION

The economic development of a country naturally opens up great opportunities for a variety of economic activities, involving industries of various scales, from small, medium to large businesses. In developing countries like Indonesia, Micro, Small and Medium Enterprises (MSMEs) have a very important role. They not only contribute to overall economic growth, but also have a significant impact on overcoming unemployment, reducing poverty levels, improving income distribution, and absorbing labor in the country (Halim, 2020).

In the context of the current rapid development of the business industry, competition in the business world is becoming increasingly fierce. Every business actor must be prepared to face fierce competition to maintain its position in the market. The variety of existing business industry sectors requires entrepreneurs to continue to increase their competitiveness so that they can continue to achieve profits and develop in a dynamic environment. The presence of MSMEs is an important factor in realizing healthy and productive competition in the midst of rapid industrial development (Pancawati, 2022).

However, the development of MSMEs also shows an encouraging trend. The MSME sector has currently achieved extraordinary levels of growth, even controlling most of the manufacturing industry sector in terms of number of businesses and employment. This shows that MSMEs have great potential in driving the economy and creating jobs at the local and national level. With the right support, MSMEs can continue to develop and become a strong economic backbone for the country (Nasrida, 2023).

With the rapid development of business today, people's interest in getting involved in the business world is increasing. One type of business that attracts the attention of many entrepreneurs is the production of tempeh chips. Tempeh chips are a popular food because of their savory and crunchy taste. The manufacturing process involves thinly sliced tempeh which is then fried in seasoned flour, producing a delicious and nutritious snack. The distinctive onion aroma and salty taste make tempeh chips a favorite of many people. Its widespread presence throughout Java shows its great popularity among the community (Hemasdika, 2017).

The increasing interest in the tempeh chips business can also be seen from the number of entrepreneurs who invest in the production and distribution of this food. High demand from consumers encourages entrepreneurs to develop the tempeh chips business more widely and efficiently. Thus, tempeh chips have not only become a popular snack among the public, but have also become part of the dynamic growth of the food industry in Indonesia.

Not only do they compete with other tempeh chip producers, entrepreneurs in this industry also have to compete with producers of other types of chips. Increasingly tight competition in the market encourages manufacturers to continue to innovate in their products, both in terms of taste, packaging and marketing strategies. Thus, competition in the chips industry not only demands product excellence, but also the adaptability and flexibility of entrepreneurs to remain competitive and develop in a dynamic market.

Analyzing a business before starting it using SWOT analysis is an important key in optimizing the potential for success and business growth. Through this analysis, entrepreneurs can identify internal strengths that can be relied on to build competitive advantages. Apart from that, SWOT analysis also helps in identifying weaknesses that need to be corrected or strengthened to increase the company's competitiveness.

By understanding both the opportunities that exist in the market and the threats that may be faced, entrepreneurs can develop appropriate strategies to exploit the business environment effectively. SWOT analysis allows entrepreneurs to make better decisions in planning strategic moves, allocate resources more efficiently, and direct their efforts towards sustainable growth. Therefore, analyzing a business with a SWOT approach is not only an important first step, but also a strong foundation for the company's long-term success.

Based on these problems, the author is interested in researching the use of SWOT analysis for entrepreneurs. The aim of writing this article is to find out what is related to SWOT analysis, its uses and the role of SWOT analysis in efforts to increase the superiority of home-made tempeh chips food products.

## **METHOD**

In the research methods chapter in this journal, a qualitative literature review approach is used to analyze the use of SWOT analysis in the context of the tempeh chips business. Literature review is a research method used to collect, evaluate, and synthesize literature relevant to the research topic. In the context of SWOT analysis of the tempeh chips business, the literature review allows researchers to review various previous studies, scientific articles, books and other documents that discuss the application of SWOT analysis in the food industry, as well as the practical experience of tempeh chips entrepreneurs.

The qualitative approach in literature reviews places emphasis on in-depth understanding and interpretation of the data collected (Jailani, 2023). Researchers will look for detailed information about how SWOT analysis is applied in tempeh chips business practices, as well

as the factors that influence the success or failure of its implementation. This approach allows researchers to explore various points of view, understand the social, economic and cultural contexts that influence business practices, and gain greater insight into the complexity and dynamics of the tempeh chips industry. Thus, a qualitative literature review approach is a very useful tool in exploring an in-depth understanding of the use of SWOT analysis in the tempeh chips business.

## **RESULTS AND DISCUSSION**

### **SWOT analysis**

A method used by business owners to achieve the desired targets is the definition of a marketing strategy. In preparing a marketing strategy, the necessary information is needed to help with the preparation. External and internal information will really help business owners in developing marketing strategies. Business owners can determine strategies that suit their business by looking at their strengths and weaknesses.

SWOT is an acronym for strengths, weaknesses, opportunities and threats. SWOT analysis is carried out by analyzing and sorting all the possibilities that influence these four factors and the aim of SWOT analysis is to determine the right strategy based on the market, Leonardo (2021). Apart from that, SWOT analysis is a process of evaluating all strengths, weaknesses, opportunities and threats in individuals and businesses. SWOT analysis can be applied in various ways to improve analysis in strategy determination efforts which generally use a systematic guide or framework to discuss basic alternatives for the company's consideration. Every organization has strengths and weaknesses in business functional areas, therefore SWOT analysis can help organizations minimize existing weaknesses or losses (Mashuri & Nnurjana, 2020).

SWOT analysis is a planning concept that is quite easy to help formulate strategies for companies. There are several uses for SWOT analysis, namely as a basis for entrepreneurs to analyze internal and external environmental conditions, to analyze the extent of a person's self in their environment and to determine the company's ability to carry out operational activities and compete with competitors. A company can find out their internal and external conditions by applying a SWOT analysis. Internal conditions can include the company's strengths and weaknesses. Meanwhile, external conditions consist of opportunities and obstacles that occur in the company. SWOT analysis is able to provide quite sharp analysis results in providing direction or recommendations in maintaining strength while increasing profits with the aim of covering deficiencies and avoiding existing threats (Fatimah, 2016).

SWOT analysis helps business actors get a general picture of the target market's view of the company, whether it is better than competing companies or vice versa. The target market's point of view is an important factor in marketing activities. To achieve a good image for the company, SWOT analysis can be applied to find the right and best steps in finding strategies that can be used in certain situations. Apart from that, you can see how far the company's position is compared to its competitors who have similar products or services. SWOT analysis is able to measure a company's ability to prevent obstacles from within or from the external environment. Determining a good strategy for the company will help minimize weaknesses that suppress the impact of threats and become a way for the company to respond to competition with existing competitors (Purnamasari, 2022).

### **SWOT Analysis Factors**

SWOT analysis consists of four factors, where Purnamasari (2022) provides an explanation of these factors, as follows:

1. Strength

Skills and excellence are an integral part of the core of an organization. The existence of special skills and certain advantages becomes a strong foundation for the

company's progress and success in facing increasingly fierce competition in the market. The strengths possessed by an organization are not only added value in attracting market attention, but are also a key factor in meeting the needs and expectations of stakeholders and customers. By leveraging its unique skills and strengths, an organization can build a solid reputation, maintain customer loyalty, and generate ongoing satisfaction for all parties involved.

2. Weakness

Weaknesses in an organization are commonplace and are part of the challenges that must be faced. However, it is important for organizations to continue to prioritize performance development and policy formulation that aims to minimize or cover weaknesses that exist at the core of the organization. In this context, ongoing efforts need to be made to identify, acknowledge and overcome these weaknesses. Weaknesses that are not handled properly can become serious obstacles in achieving optimal company performance. For example, weaknesses in management capabilities can interfere with effective decision-making processes, while weaknesses in financial resources can limit an organization's ability to develop new products or services. Additionally, weaknesses in marketing skills can hinder an organization's efforts to expand market share and increase sales. Therefore, organizations need to take proactive steps to overcome existing weaknesses, either through employee training and development, optimizing operational processes, or improving financial structures, to ensure company performance remains competitive and sustainable.

3. Opportunities

Opportunities are crucial moments that can provide significant benefits for an organization. These factors often originate from a company's external environment, including changes in markets, regulations, technology, or industry trends. For example, increasing a company's relationships with suppliers or buyers may provide opportunities to improve operational efficiency, explore new strategic partnerships, or enhance the customer experience. By identifying and effectively exploiting these opportunities, organizations can expand market share, increase competitiveness, and achieve sustainable growth. Therefore, it is important for organizations to continue to adapt to changes in their surroundings and proactively look for new opportunities that can benefit the company in the long term.

4. Threats

After identifying important situations that can provide benefits to the organization, it is also necessary to recognize that there are important situations that have the potential to harm, known as threats. Threats are external conditions or factors that can threaten the stability and performance of an organization. For example, changes in government regulations can pose a serious threat to a company's success. When government regulations change drastically or unexpectedly, companies can face obstacles in complying with new policies, experience increased operational costs, or even face legal sanctions. Threats like these can disrupt a company's business plans, growth strategies, and financial stability. Therefore, it is important for organizations to understand and anticipate potential threats that may arise from their external environment, so that they can plan appropriate responses and reduce their negative impact on company performance and goals.

**SWOT Matrix**

Table 1. SWOT Analysis Matrix

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<b>Strength:</b>	<b>Weakness:</b>
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	<ul style="list-style-type: none"> <li>• High product quality and good brand image.</li> <li>• Strong partnership with local tempeh producers.</li> <li>• Utilization of modern technology in the production process.</li> </ul>	<ul style="list-style-type: none"> <li>• Dependence on local tempe supplies.</li> <li>• Limitations in marketing and promotion.</li> <li>• Lack of expertise in the application of information technology.</li> </ul>
<b>Threats:</b>	<b>ST</b>	<b>W.T</b>
<ul style="list-style-type: none"> <li>• Tight competition from other tempe chips producers.</li> <li>• Raw material price fluctuations and supply uncertainty.</li> <li>• Changes in government regulations in the food industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality-based product diversification</li> <li>• Strategic partnerships with suppliers</li> <li>• Increased product efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Employee training in risk management</li> <li>• Marketing partnerships</li> </ul>
<b>Opportunities:</b>	<b>SO</b>	<b>WO</b>
<ul style="list-style-type: none"> <li>• Increasing consumer interest in healthy and high protein foods.</li> <li>• Growth of the e-commerce market and online sales.</li> <li>• Potential for product diversification into international markets.</li> </ul>	<ul style="list-style-type: none"> <li>• Online market expansion</li> <li>• Product diversification</li> <li>• Export to international markets</li> </ul>	<ul style="list-style-type: none"> <li>• Digital marketing training</li> <li>• Diversification of raw material resources</li> <li>• Research and development partnerships</li> </ul>

Source: Author's personal research

**ST Strategy**

Through product diversification that focuses on quality, strong strategic partnerships with raw material suppliers, and efforts to increase production efficiency, the company has succeeded in strengthening its position in the market. Quality-oriented product diversification helps the company to present superior product variations that suit the needs of modern consumers, while strategic partnerships with suppliers ensure a guaranteed supply of quality raw materials. Increasing production efficiency allows companies to optimize their operational processes, reduce costs and increase competitiveness in an increasingly tough market. Thus, these strategies overall strengthen the foundation of the company and help in achieving sustainable growth.

**WT Strategy**

Through employee training in risk management and efforts to build solid marketing partnerships, the company succeeded in increasing its capabilities in facing complex business challenges in a changing market. Employee training helps increase their understanding of the risks a company may face and equips them with the skills necessary to manage risks effectively. Meanwhile, marketing partnerships allow companies to tap into a wider network, increase brand visibility, and access additional marketing resources that can support product sales and



promotion efforts. By combining these two strategies, a company can strengthen its position in the market and increase its ability to achieve its business goals effectively.

### **SO Strategy**

By expanding the online market and implementing a product diversification strategy, along with export efforts to international markets, the company has succeeded in expanding its market coverage and increasing its business growth potential. Through online expansion, companies can access a wider market share and increase the accessibility of their products to more consumers. Product diversification allows companies to offer a more complete variety of products that suit diverse market needs. Meanwhile, exports to international markets open up new opportunities to develop overseas markets and increase company revenues globally. With these strategies, companies can strengthen their position in the market and achieve sustainable growth in the long term.

### **WO Strategy**

Through organized digital marketing training, as well as efforts to diversify raw material resources and emphasized research and development partnerships, the company has faced market challenges with strong strategic steps. Digital marketing training equips teams with the knowledge and skills necessary to leverage technology and online platforms to increase product visibility and reach target audiences effectively. On the other hand, diversification of raw material resources strengthens the company's resilience to price fluctuations and supply availability, while research and development partnerships enable the company to produce product innovations that are new and relevant to market demand. Thus, these strategies provide a solid foundation for companies to adapt to market changes and achieve sustainable growth in this digital era.

## **CONCLUSION**

Based on the results of the research and discussion above, it can be concluded that the internal factors that are the main strengths in business or enterprise are high product quality and good brand image, strong partnerships with local tempeh producers, use of modern technology in the production process. Weaknesses in this business are dependence on local tempe supplies, limitations in marketing and promotion, lack of expertise in the application of information technology. Meanwhile, external factors consist of several threats, namely intense competition from other tempe chips producers, fluctuations in raw material prices and supply uncertainty, changes in government regulations in the food industry. However, besides that, there are opportunities such as increasing consumer interest in healthy and high protein foods, growth of the e-commerce market and online sales, potential for product diversification into international markets.

SWOT analysis allows companies to holistically evaluate their position in the market by considering internal and external factors that influence the business. With a better understanding of existing strengths, weaknesses, opportunities and threats, companies can identify appropriate strategies to exploit their advantages, overcome weaknesses and take advantage of existing market opportunities. This helps companies to increase their competitiveness, optimize business performance, and achieve sustainable growth.

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