



## A MARKET-BASED ANALYSIS ON SMALL AND MEDIUM BUSINESS STRATEGIES IN BOGOR'S FOOTWEAR INDUSTRY

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### ABSTRACT

This research aims to fill the existing gap, namely the right coaching model that can be developed for MSME practitioners so that they have competitive advantages. A sustainable coaching model application from the Ciomas footwear MSMEs can be carried out in an integrated, directed and targeted, market-based manner. By using qualitative methods, it is known that the attributes of production process, production equipment, production control, buildings and facilities, markets, quality standardization, business management, financing, and promotion have average performance. In this case based on the perception of the footwear MSMEs, the performance measure is on a medium scale, while the expectation measure is on a high scale.

**Keywords:** Bogor Footwear MSME, business strategy, MSME performance

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### INTRODUCTION

In addition directed to strengthen increase its contribution to the economy both in the village poverty eradication and job creation, the development of cooperatives and MSMEs in Indonesia, also increase added value in the economy that sustain high economic growth and sustainable development. The contribution of MSMEs has proven to be very significant for the national economy and the development of MSMEs is seen as one of the keys to driving national growth. (BPS, 2016, [www.bps.go.id](http://www.bps.go.id) ).

There are various problems in MSMEs in Indonesia with all its complexity, that include the MSMEs engaged in the footwear industry. One of the MSMEs that is the center of the footwear industry is the MSMEs in the Ciomas area of Bogor. By doing in-depth analysis and mapping the conditions that exist in the footwear industry, it can be determined the appropriate business development strategies and coaching for MSMEs.

The identified research gap is closely related to the performance of Ciomas footwear MSMEs which obtained through the results of a study in the form of in-depth data and information. The performance of the Ciomas footwear MSMEs is related to various stakeholders in optimizing their businesses. Thus, there is a research gap that is how to develop an appropriate coaching model for MSME actors so that they have competitive advantages. Thus, the application of a sustainable development model of the Ciomas footwear MSMEs can be carried out in an integrated, directed, and targeted manner.

The urgency of the research is that there has not been an in-depth study of applicable models, specifically by combining various coaching models for MSMEs. If footwear MSME get special attention with the pattern of development and directed policies, it will be the backbone of the rise of the real sector in the region. The novelty of coaching model design that can be applied to MSMEs and to form an independent joint forum.

## **LITERATURE REVIEW**

### **Performance**

Gomes in Mangkunegara (2014) put forward the definition of performance as expressions such as output, efficiency and effectiveness are often associated with productivity. According to Kusriyanto in Mangkunegara (2014), performance is the comparison of results achieved with the participation of labor per unit of time. Mangkunegara (2014) also explained that employee performance (work performance) is the result of quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. In this case the intended performance is the performance of MSMEs, in which the Criteria for Micro, Small and Medium Enterprises (MSMEs) have been regulated by the Act No. 20 of 2008. The meaning of MSMEs is productive business opportunities owned by individuals or individual business entities that meet the criteria of micro businesses as governed by laws. Micro Business Based on the Act No 20 of 2008 concerning MSMEs (MICRO, Small and Medium Enterprises) is a productive business owned by individuals and/or individual business entities that meet the criteria of Micro Business as stipulated in this Law. In optimizing business performance, sometimes the role of endorsers is also needed (Setiawan, B., & Rabuani, CC, 2019), however in the context of MSMEs this has not become urgent.

### **Footwear MSMEs**

A number of major problems are still faced by MSMEs, specifically the Ciomas footwear MSMEs, among others: technology, quality of human resources, access to market, access to capital, and networking. Majority of MSMEs are still in the form of informal businesses and are lined with problems are said to make this business lag behind neighboring countries. Therefore, coaching is needed in order to increase the capacity of MSMEs. In general MSMEs in Indonesia have enormous latent or hidden potential to be developed further. Because, reflecting from history, MSMEs has become one of the sectors that is able to withstand the pounding of the economic crisis that once

hit Indonesia. In running their business, SMEs Ciomas footwear also need to create customer satisfaction, this is so that customers want to buy again and become loyal buyers (Setiawan, B., 2014).

The research of Sefrika Entas (2017) concluded some important things, among which major obstacles faced are marketing the products. MSMEs only produce goods when there are orders from middlemen or buyers outside the city with rare order intensities. One solution that can be done is to implement knowledge management in the form of implementing a website-based online sales system. The research by Mulyana (2012) drew some conclusions that several internal factors that can be strengths for the Ciomas moccasin craftsmen in Bogor is the quality of product, competitive prices, the uniqueness footwear produced, and creativity. While the weaknesses are irregular financial management, irregular raw material inventory management, supervision of production processes and lack of quality, place of work less comfortable, low-tech technology, lack of accuracy in calculation of cost of production.

## **RESEARCH METHOD**

The population in this mapping is footwear MSMEs in Ciomas Bogor. Based on the data there are some 360 units of MSMEs (Bogor, 2016, [www.kabupatenbogor.go.id](http://www.kabupatenbogor.go.id), 2018). The samples selected consist of four craftsmen. This is because the study uses a qualitative approach, so the samples are chosen based on quality not quantity. The samples are senior and experienced MSME practioners related to the footwear business in Ciomas Bogor. The research activity period was conducted in May 2019 - August 2019.

### **Mapping Profile of Footwear MSMEs**

The elements in profile forming for the initial stages consist of: company name, line of business, product type, name of business owner, age of business owner, education level of business owner, company address, contact address number (telephone, faximile, e-mail, online publications, year of incorporation, business legality (SIUP, TDP, etc.), organization. raw materials, auxiliary materials, technology/production processes, resources. finished products, marketing, capital, financial management, environment friendly, social culture.

### **Performance Analysis and Competitive Strategy for Footwear MSMEs.**

The results of mapping the footwear MSME profile will be utilized to evaluate the performance of footwear MSMEs. The aggregation of footwear MSME performance will be grouped into three categories, namely: (1) High, (2) Medium, and (3) Low. From each of the existing conditions of the footwear MSME performance, the right strategy will be recommended in order to choose the right, directed and competitive model of footwear MSMEs development.

## **SWOT Analysis**

SWOT analysis is used to map the strengths, weaknesses, opportunities and threats of footwear MSMEs. This analysis is directed at the identification of internal and external factors that influence the development of footwear MSME competitiveness. The results of identification of both internal factors and external factors are assessed weighting (B) and priority degrees (Dp). The factors weighting are carried out on its constituent components on the basis of existing conditions which can be assessed on a scale of 1.00 (very good) to 0.00 (not good). While the priority degrees are rated on a scale of 1 (not important) to 5 (very important). The result of multiplication between weight (B) and priority degree (Dp) will produce a score (S) in each component. The addition in each component produces a score on the factor.

## **The Feasibility of Strategy and Concept Model for the Development of Footwear MSMEs**

This study is expected to provide an output in the form of conclusions and recommendations on the feasibility of implementing a strategy to improve the competitiveness and performance of footwear MSMEs. Strengthening capital by utilizing soft loans for MSMEs can be accessed at financial and banking institutions, both in Islamic banks and conventional banks (Setiawan, B., Puspita Sari, R., & Manurung, TMS, 2016). In preparing these recommendations, we will pay attention to the following:

1. If the resulting strategy meets the eligibility requirements for implementation, then the next step is to develop a conceptual model of the development of footwear MSMEs that are directed, integrated, and sustainable in order to improve the competitiveness of footwear MSMEs.
2. If the resulting strategy does not meet the eligibility requirements for implementation, the recommendations will be made that are appropriate for the development of targeted, integrated and sustainable footwear MSMEs in order to improve the competitiveness of footwear MSMEs.

## **RESULT AND DISCUSSION**

### **General Description of Footwear MSMEs in Indonesia**

The Ministry of Industry has prioritized the development of the national footwear industry to be more productive and competitive, especially since it is a dense and export-oriented sector. In 2017, the national footwear industry recorded an export value of US \$ 4.7 billion, up 2% compared to the previous year which reached US \$ 4.6 billion. This growth gives great hope for the footwear industry and leather goods industry in the country, including for the small and medium industrial sector (IKM). The positive performance of the national footwear industry is also driven by the government's efforts to create a conducive business climate in the country. This shows that there is an improvement in the Indonesian economy that makes our business people more optimistic and enthusiastic in 2018. The Ministry of Industry noted that the distribution of footwear MSMEs in Indonesia reached 32,562 business units by absorbing a workforce of 113,907 people. At a macro level, over a five- year period (2012-2016), there was a significant increase in the consumption per capita of the Indonesian people for footwear, which was originally only two pairs to more than three

pairs per year. Meanwhile, in terms of growth performance, the national leather, leather goods and footwear industry group is above the average national economic growth. This sector was able to grow by 8.51 % in 2016. If from its contribution, this sector has contributed national GDP of 1.56 % in 2016 from the non-oil and gas sector. Based on the 2016 World Footwear Market, Asia still dominates 87% of world footwear production, and Indonesia ranks 4th with total production reaching 1 billion pairs per year or around 4.4% of Indonesia's footwear production contribution to the world (<https://industri.kontan.co.id>, 2018).

### **Annual Production Growth of Micro and Small Footwear Industries in the West Java Region**

Indonesia's footwear industry turns out to have strong competitiveness in the international market, as evidenced by occupying the 5th position as an exporter in the world after China, India, Vietnam and Brazil. Then, its market share in international markets reached 4.4 percent. In fact, based on Trade Map data, the export growth is positive from 4.85 billion US dollars in 2015, up 3.3 percent to 5.01 billion US dollars in 2016. The increase in Indonesia's footwear export performance exceeds the growth in the value of world exports which only around 0.19 percent. This shows that domestic footwear products have competitiveness above the world average. Based on data from the Central Statistics Agency (BPS), small and medium footwear industries are incorporated in the tanning and leather products group. In 2010, the business group totaled 32,910 units with a total employment of 114,495 people throughout Indonesia. Until October 2016, exports of footwear products from Indonesia reached US \$ 3.7 billion (<https://www.bps.go.id/>, 2018).

Based on data from the Central Statistics Agency (BPS) footwear exports for the January-February 2015 period reached US\$726 million, up 14 percent compared to the same period last year of US\$636.8 million. Meanwhile, footwear industry exports in 2014 reached US\$4.11 billion, up 6.44 percent from the previous year of US\$3.86. The domestic footwear industry will continue to increase where it is expected that the value of Indonesian footwear exports in the future will be on par with Myanmar and the Philippines. In Southeast Asia, Indonesia's rival is only Vietnam (<http://www.kemenperin.go.id>, 2017).

### **Today's Bogor Footwear MSMEs Conditions**

Basically, Bogor has many footwear MSMEs in Bogor Regency, which has around 360 MSME units that are engaged in making footwear and sandals in Bogor Regency ([www.kabungaibogor.go.id](http://www.kabungaibogor.go.id), 2018). The review relates to the condition of existing footwear MSMEs in Bogor with reference to the conditions of several footwear MSMEs, including footwear MSME owned by Mr. Itang, footwear MSME belonging to Mr. Aceng, and footwear MSME Mr. Heri.

### 1. MSME Mr. Itang

MSME's Mr. Itang at Ciomas Parakan Bogor produces adult women's sandals with a variety of models and sizes.

a. Product produced

The resulting product is in the form of women's footwear.

b. Price

In terms of price, of course, MSMEs do not sell retail, MSMEs usually sell their products in scores (20 pairs). The products produced are sold in the form of scores at a price of Rp.420,000 up to Rp.450,000 per score on how the motifs and models of sandals are produced, seen from the difficulty of the manufacturing process.

c. Place of business

Produced in a private house owned by Mr. Itang by relying on a room of 5 × 4 square meters that was made specifically to produce the sandals, which addressed in the Babakan Parakan village, Ciomas Bogor.

d. Promotion

From the beginning of the 2005 production to the present, the Ciomas Parakan Bogor sandals have been known for their good quality. Therefore MSMEs themselves are not too difficult to promote the products. Mr. Itang only relies on the domestic market segment namely Pasar Anyar (Anyar Market) Bogor to promote and sell the products that have been produced in per score submitted every day with a total production of 15 scores / day.

e. Human Resources

The human resources employed by Mr. Itang until now consist of ten workers. They can produce 15 scores per day. The human resources who work have working hours from 7 am to 9 pm with no rest hours specified by the owner, because Mr.Itang works according to the target. Maintaining the performance of the human resources they have is a must for Mr. Itang because he considers human resources and their performance to be a valuable asset they have.

### 2. Footwear MSME Mr. Aceng

a) Product

The products produced by Mr. Aceng are high heels.

b) Price

The price of high heels and wedges for MSME products, Mr. Aceng, as shown in Table 1.

**Table 1 List Products Prices**

Type Of Footwear	Unit	Price
Wedges	Score	Rp. 610.000
High heels	Score	Rp. 700.000

c) Place of business

Mr. Aceng himself has a quite strategic location. Located in Vila Ciomas Indah Housing, this MSMEs does not need to go far to get raw materials for production because many vendors in the area that sell production materials and

for delivery to distributors is not too far away, it only takes about 30 minutes to arrive at the distributor location located in the Anyar Market.

d) Promotion

The promotion conducted by MSME Mr. Aceng is not intense and is not carried out every day to consumers. The enterprise carries out promotion only to distributors who market their products by showing new products to distributors, if it feels good and will sell well in the market then the distributor will ask to be produced.

e) Human Resources (HR)

The number of human resources employed by MSME Mr. Aceng consists of 16 people consisting of six surface masons, 7 printing/open builders, 3 people working on finishing. The owner himself acts as the leader of the company as well as finance and marketing.

Table 2. General Description

No	Nama UMKM	Pemilik UMKM	Sejarah Singkat
1	MSME Mr. Heri Sandal Footwear	Mr. Heri	Inherited from 1960
2	MSME Mr. Itang Sandal Footwear	Mr. Itang	Inherited
3	MSME Mr Aceng Footwear	Mr. Aceng	The enterprise was founded in 2000 by Mr. Aceng. Armed with experience as a footwear laborer. With an initial capital of Rp5 million

Table 3. Qualitative Market Description / Overview

No	Name of MSME	Brand	Marketing Regions	Market Segment	Transportation System
1	MSME Mr Heri Footwear	Sabina	Anyar Market, Bogor	Middle lower	Using own car
2	MSME Mr. Itang Sandal Footwear	Products labeled by the buyers	Anyar Market, Bogor	Women (children to adults)	Buyers take their own products
3	MSME Mr Aceng Footwear	Products labeled by buyers (Happy pad)	Anyar Market, Bogor	Middle lower	Buyers take their own products

Table 4. Quantitative Market Descriptions / Descriptions

No	Name of MSME	Product Demand
1	MSME Sabina Sandal Footwear	Standard product demand is 100 scores per week. When the market is quiet, product demand is only 60 scores per week. In the next 5 years, projected demand for about 200 scores per week
2	MSME Mr. Itang Sandal Footwear	Product demand for 90 score per week
3	MSME Mr. Teddy Sandal Footwear	Product demand for 80 score per week
4	MSME Mr. Aceng Footwear	Product demand for 40-80 scores per week

Table 5. Technical Description of Production

No	Name of MSME	Brand	Product Technical Specifications / Product Quality Standards
1	MSME Mr. Heri Sandal Footwear	Sabina	There are no specific specifications, the quality produced is still fairly simple or standard, because the MSME has not used a sophisticated technology
2	MSME Mr. Itang Sandal Footwear	Products labeled by the buyers	There are no specific specifications, the quality produced is still fairly simple or standard, because the MSME has not used a sophisticated technology
3	MSME Mr. Teddy Sandal Footwear	Products labeled by the buyers	There are no specific specifications, the quality produced is still fairly simple or standard, because the MSME has not used a sophisticated technology
4	MSME Mr. Aceng Footwear	Products labeled by buyers (Happypad)	There are no specific specifications, the quality produced is still fairly simple or standard, because the MSME has not used a sophisticated technology

### The Performance of Footwear MSMEs in Bogor

In measuring the performance level of footwear MSMEs in Bogor, opinion measurements are taken. This measurement is carried out to determine the perceptions and expectations of actors based on existing attributes (Setiawan, B., Panduwangi, M., & Sumintono, B., 2018). The attributes are raw and auxiliary materials, production processes, water supply, production equipment, production control, hygiene facilities and activities, buildings and facilities, production environment, packaging, market distribution, quality standardization, business growth, business management, capital, and promotion

### Models of Footwear MSME Development in Bogor

The Ministry of Industry noted, in a period of five years (2012-2016) a significant increase of the per capita consumption of Indonesian people's footwear that was originally only 1.8 pairs to 3.3 pairs per year. This means that the average need for Indonesian footwear is more than three pairs per year. In fact, the performance of the



national footwear industry is able to grow positively. In 2017, the footwear industry GDP contribution of Rp 26.5 trillion, with growth reaching 2.4 percent. Meanwhile, the export value of the footwear industry also grew by US\$4.9 billion in 2017 (www.kemenperin.go.id, 2018).

**Development Strategy for Footwear MSMEs in Bogor**

Based on the survey results, it is revealed the strengths and weaknesses that are owned by MSMEs footwear in Bogor, seen from the opportunities an threat faced by MSMEs footwear in Bogor. Growth through diversification concentric.	Growth through diversification of conglomerates	Liquidation
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Figure 1. Internal and External Matrices

After knowing the IFAS score of 2, 9 and the EFAS score of 3.6, an Internal - External Matrix (IE Matrix) is obtained.

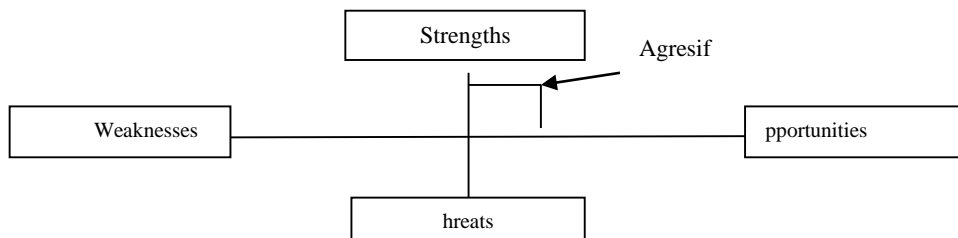


Figure2. Matrik Space

Based on all the analysis above, it is a very favorable situation. The MSMEs have opportunities and strengths so they can take advantage of existing opportunities. In the future the MSMEs will face a level of competition that is quite heavy, especially the entry of foreign competitors in the free market footwear.

To anticipate increasingly fierce competition, the MSMEs must be more aggressive in grabbing consumers who are mostly still at the level of a switcher. The strategies that are feasible to apply include all strategies that can streamline costs by applying cost leadership to superior products and inventory control efficiency. It also can be improved product development strategies through the house brand, increased customer loyalty, ease of payment systems and so on. Table 6 describes the results of a SWOT analysis and the identification of strategies that can be applied by Bogor’s footwear MSMEs.

Table 6. SWOT Analysis of Bogor Footwear MSMEs

<p><b>STRENGTHS (S):</b></p> <ol style="list-style-type: none"> <li>1. Quality products</li> <li>2. Competitive price</li> <li>3. Unique products</li> <li>4. Unique products</li> </ol>	<p><b>WEAKNESSES (W):</b></p> <ol style="list-style-type: none"> <li>1. Irregular financial management</li> <li>2. The management of raw material inventory</li> </ol>
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		<p>is not regular</p> <ol style="list-style-type: none"> <li>Supervision of production processes and quality is lacking</li> <li>The place of work is less comfortable</li> </ol>
<p><b>OPPORTUNITIES (O):</b></p> <ol style="list-style-type: none"> <li>Products known to the public</li> <li>Availability of human resources</li> <li>Locations near suppliers</li> <li>Has a centralized marketing system</li> <li>Strategic point of sales</li> </ol>	<p><b>SO STRATEGY:</b></p> <ol style="list-style-type: none"> <li>Aggressive strategy to increase market share.</li> <li>Increase marketing in new markets</li> <li>Improve operational efficiency</li> </ol>	<p><b>WO STRATEGY:</b></p> <ol style="list-style-type: none"> <li>Operational efficiency</li> <li>Investment cooperation in production machinery with various parties</li> <li>Improving the quality of services to consumers</li> </ol>
<p><b>THREATS (T):</b></p> <ol style="list-style-type: none"> <li>Business competitors who have regular customers</li> <li>Many of these businesses went bankrupt</li> <li>Models change quickly</li> </ol>	<p><b>ST STRATEGY:</b></p> <ol style="list-style-type: none"> <li>Increasing the quality and quantity of marketing.</li> <li>Implement a marketing strategy "pick up the ball" especially to new markets</li> </ol>	<p><b>WT STRATEGY:</b></p> <ol style="list-style-type: none"> <li>Development of new service networks.</li> <li>Development of footwear in production/operational systems.</li> </ol>

- Several strategies that can be used to market the footwear MSME products: Make unique footwear products. Making unique footwear products that have advantages over other similar products. Competitors are certainly everywhere, if the product offered does not have advantages, it will be difficult to compete. In addition to being unique and of high quality, the products that they want to sell must also be able to meet the needs of consumers. Along with the times and technology, the needs of consumers also change, therefore, innovation must always be done periodically. This is to help in market competition and make customers loyal to the products being sold.
- Become a Networker. Networker is someone who has a very broad network and has an optimistic nature in running a business. Thus, MSMEs should be able to become Networkers. If not, then they can hire salespeople who can be relied upon as the spearhead for expanding the MSME network.
- Determine segmenting, targeting, and positioning (STP). Where these three things are related to each other. To market the products of MSMEs, they should segment the market by placing the consumer in a sub-group in the product markets, so that the buyers have a response that is almost the same with marketing strategy in the positioning of the company. If they have determined the segmentation, then they must determine the market (targeting), where they must evaluate the various segments to decide who is the target market. After determining segmenting and targeting, then determining the position ( positioning ) of the product which is a combination of marketing activities undertaken by management to meet the needs and desires of each target market. All three strategies must be carried out well to achieve successful marketing.

4. Make use of e-commerce. By utilizing e-commerce, MSME businesses have the opportunity to reach broader and even global markets. E-commerce in the business world can support shortening the distribution chains, so consumers can get a product at a low price. Marketing products with e-commerce has several benefits including, being inexpensive and efficient, having unlimited access, and shortening product distribution distances.
5. Consistency. Consistency in carrying out marketing strategies is important. Besides being creative, MSMEs are also required to be able to continue to be consistent in carrying out the chosen marketing strategy. This is important because consumer confidence will be built if SMEs are consistent in the line of business they are involved in and the MSMEs become experts in it.

Those are some marketing strategies that can be applied to develop MSME businesses. In a business, in addition to conducting marketing strategies, it is also necessary to make financial reports that are no less important. Now, MSMEs can make financial reports using accounting software. Journal is an online accounting software that helps to make financial reports easily, quickly, and realtime.

Referring to the explanation above, the next step to improve the performance of footwear MSME is through training and coaching that is recommended to be carried out as shown in Table 7.

Table 7. Training and Coaching Recommended To Do

No	Problems	Proposed Solutions
1	Insights and Knowledge about <ol style="list-style-type: none"> <li>1. Obtaining / seeking information</li> <li>2. Communication</li> <li>3. Building relationships</li> <li>4. Research</li> </ol>	Solution to be provided: <ol style="list-style-type: none"> <li>1. Introduction and briefing about information and internet techniques, making the web</li> <li>2. Business communication</li> <li>3. Debriefing builds sustainable business relationships</li> <li>4. Simple research briefing</li> </ol>
2	Regarding production: <ol style="list-style-type: none"> <li>1. Relating to ergonomic design</li> <li>2. Model design</li> </ol>	Solution to be provided: <ol style="list-style-type: none"> <li>1. Briefing about ergonomic design</li> <li>2. Design the model that the market wants</li> </ol>
3	Business management: <ol style="list-style-type: none"> <li>1. Financial management</li> <li>2. Recording and financial statements</li> <li>3. Marketing</li> <li>4. Institutional</li> </ol>	Solution to be provided: <ol style="list-style-type: none"> <li>1. Provision of financial management</li> <li>2. Briefing about simple accounting</li> <li>3. Marketing assistance</li> <li>4. Establishment of a business forum (The biggest shareholder of PEMDA Bogor Regency)</li> </ol>
4	With regard to capital	Capital: <ol style="list-style-type: none"> <li>1. Assistance from the District Cooperative and MSMEs Office</li> <li>2. Other Source of Assistance (LPDB-KUMKM, KUR Fund, Ministry of Research, OJK and others)</li> </ol>

5	Regarding further training and assistance	<ol style="list-style-type: none"> <li>1. Training and assistance by competent lecturers involving students</li> <li>2. Help access the market</li> </ol>
6	Evaluation	<ol style="list-style-type: none"> <li>1. Monitoring and Evaluation</li> <li>2. The establishment of a business forum for Sandal Footwear Fostered MSMEs</li> </ol>

Observing that one important aspect for MSMEs is capital, MSMEs can access capital in the LPDB- KUMKM which is a work unit of the Ministry of Cooperatives and MSMEs in the field of finance that manages revolving funds for strengthening capital for cooperatives and MSMEs. In 2018, LPDB came up with a new paradigm in revolving fund management. Even the government through several national banks makes it easy to access credit where for the Micro KUR, they can borrow up to 25 million without collateral.

The footwear MSMEs in the future will face a fairly heavy level of competition, especially the entry of foreign competitors in the free market. To anticipate increasingly fierce competition, the footwear MSMEs must be more aggressive in grabbing consumers who are still mostly at the switcher stage. The strategies that are feasible to apply include all strategies that can streamline costs by applying cost leadership to superior products and inventory control efficiency. It also can be improved product development strategies through the house brand, increased customer loyalty, ease of payment systems and so on.

## CONCLUSION

1. The attributes of the production process, production equipment, production control, buildings and facilities, markets, quality standardization, business management, capital, and promotion have moderate performance. In this case the performance measure is based on the perception of the footwear MSMEs on a medium scale, while expectations are on a high scale. Thus there needs to be an increase in these attributes. The difficulties in terms of capital cause companies still survive with conventional and manual technology, thus the production capacity is also relatively limited. In the case of business management, a large gap is also found based on the assessment of perceptions of existing expectations and conditions. The bookkeeping system is still controlled directly by the owner of the company and does not meet the rules of the accounting system. Thus efforts are still needed to improve these attributes so that footwear MSME are more developed in the future.
2. The development of footwear MSMEs refers to the profile of existing conditions, needs, and applicable local regulations. Based on the mapping of footwear MSME performance, there are problems, as follows: (1) weakness in the form of gaps in most of its attributes; (2) MSME competitive advantage rests on comparative advantage; and, (3) the type of assistance from the government /related agencies is relatively more oriented to the type of assistance that contains economic content (economic content) than the content of knowledge (knowledge content), so that the positive impact perceived is short-term.

3. The footwear which are the superior product of MSMEs require better guidance in terms of the production process and production facilities in the form of equipment assistance and training to produce higher quality products. No less important is the assistance in terms of developing market share both domestically and abroad. As well as coaching assistance in the development of promotions so that products are more widely known
4. The MSMEs have opportunities and strengths so they can take advantage of existing opportunities.

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