Swot Analysis Of Business Opportunities In MSMES In Balikpapan City

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ABSTRACT

This research uses methods to find out how and strategies to analyse MSME business opportunities in Balikpapan City and how important business opportunity analysis is in entrepreneurship or doing business. Several MSME business opportunities in Balikpapan City that can be chosen, methods and strategies for analysing business opportunities, as well as predicting MSME business opportunity analysis will be discussed. In this way, the public can understand business opportunity analysis, especially SWOT analysis, and can apply it in their respective MSME business ventures. Analysis of business opportunities influences the business that will be run or the one that wants to be developed. This research aims to identify potential MSME business opportunities in Balikpapan City, analyses effective ways and strategies in conducting business opportunity analysis for MSMEs, assess how important business opportunity analysis is in supporting entrepreneurial and business success, introduce and explain the SWOT analysis method as an analytical tool business opportunities, providing guidance to the public regarding the application of business opportunity analysis in developing MSME businesses, as well as evaluating the influence of business opportunity analysis on the success and development of MSMEs in Balikpapan City.

INTRODUCTION

In Indonesia, especially in Balikpapan City, business opportunity analysis is conducted to determine the risks and benefits of a business opportunity. An entrepreneur, whether a beginner or a professional, certainly needs to do business opportunity analysis which is an important thing to do in developing a business. Business opportunity analysis will be very useful in developing strategies for entrepreneurship, sales, and new business ideas.

Something new and different is the added value of goods and services that become a source of excellence to be used as an opportunity. How to analyze business opportunities in Balikpapan City so that we can know the risks and benefits of a business opportunity in Balikpapan City. That way, it can be known whether a business idea has the potential to be run.

In analyzing business opportunities in Balikpapan City, the first step is to identify the needs and preferences of the local market. A comprehensive market research will provide a clear picture of consumer demand, market trends, and gaps in the current market. For example, with the increasing awareness of eco-friendly products, business opportunities in organic products or eco-friendly services can be very promising.

Next, it is important to conduct a competitor analysis to understand where the business stands in the competitive landscape. By knowing the strengths and weaknesses of competitors, entrepreneurs can develop effective differentiation strategies. In addition, SWOT analysis can also be used to identify competitive advantages, as well as formulate strategic measures to take advantage of

opportunities and overcome threats that may arise.

This approach must be complemented by a careful risk analysis. Identifying potential risks, whether in terms of operational, financial or market, will help in planning appropriate mitigation measures. Thus, entrepreneurs can minimize the negative impacts that may arise and increase the chances of business success.

In addition, the evaluation of legal and regulatory aspects should not be overlooked. Understanding the applicable regulations and policies will ensure that the business can run smoothly without legal obstacles. Support from the local government, in the form of incentives or MSME development programs, can also be a significant supporting factor in developing a business in Balikpapan.

With a combination of market, competitor, risk and regulatory analysis, entrepreneurs can develop a well-thought-out and realistic business plan. This not only helps in determining the feasibility of the business idea, but also in attracting potential investors and partners. With good planning, business opportunities in Balikpapan City can be transformed into real success, making a positive contribution to the local economy and improving the welfare of the local community.

Based on 2021 data, out of a total of 291,504 employed people, the most prevalent main employment statuses are as follows:

Table 1. Data On The Most Common Main Employment Status In Balikpapan City

No.	Employment Status	Percentage (%)	Large Quantity
1	Laborer/Employee	59,95%	174.743
2	Entrepreneur	19,03%	55.474
3	Business assisted by unpaid labor	7,64%	22.282

From the table above, it can be seen that the majority of the main occupations in Balikpapan City are laborers/employees, reaching 59.95% of the total labor force. The second position is occupied by entrepreneurs, with a percentage of 19.03%. Meanwhile, non-permanent laborers or those who are not paid occupy the last position with a percentage of 7.6%. This data shows that the labor sector in Balikpapan is dominated by permanent workers and employees, while the proportion of entrepreneurs and non-permanent workers is much smaller.

MSMEs are productive economic businesses run by individuals or small business entities. These MSMEs have played a very big role in Indonesia's economic growth, with the number reaching 99% of all business units. The contribution of MSMEs to GDP also reaches 60.5%, and to employment reaches 96.9% of the total national employment. In Balikpapan City, MSMEs are one of the sectors that support the city's economy in reducing unemployment. Currently, the number of MSMEs culinary sector in Balikpapan reaches around 4,000 businesses, which are spread in various areas of the city. The existence of this sector not only creates jobs, but also encourages local economic growth through increased consumption and production. Local government support through various training programs, mentoring, and access to capital further strengthens the role of MSMEs in building a more inclusive and sustainable Balikpapan economy.

Table 2. Data of MSME business actors in various areas in Balikpapan City

No	Region Name	Business Actors	Omset
1	Balikpapan City	900	76 billion
2	West Balikpapan	650	27 billion
3	East Balikpapan	550	19 billion
4	North Balikpapan	700	28 billion
5	South Balikpapan	800	53 billion
6	Central Balikpapan	1.100	75 billion
	Total	4.700	278 billion

From the table above, it can be seen that the total number of businesses in Balikpapan City, from Balikpapan City to Central Balikpapan, amounts to 4,700 businesses with a total turnover of up to 278 billion. This data shows the significant contribution of the business sector in various areas of Balikpapan to the city's economy, reflecting the dynamics and potential of a growing economy.

Thus, in total, culinary MSMEs are able to absorb 5% of Balikpapan's labor force of 300,000 people, which means around 15,000 people work in this sector. This figure shows a high potential for employment, considering that culinary MSMEs not only create direct jobs such as chefs, waiters, and cashiers, but also indirect jobs such as raw material suppliers, packaging, and distribution. In addition, the existence of culinary MSMEs also encourages local economic growth through increasing people's purchasing power and contributing to regional income. With the right support from the government and the private sector, culinary MSMEs in Balikpapan have a great opportunity to continue to grow, create more jobs, and improve the overall welfare of the community.

This study aims to identify potential business opportunities of MSMEs in Balikpapan City, analyze effective ways and strategies in conducting business opportunity analysis for MSMEs, assess how important business opportunity analysis is in supporting entrepreneurial and business success, introduce and explain SWOT analysis method as a business opportunity analysis tool, provide guidance to the community regarding the application of business opportunity analysis in MSME business development, and evaluate the effect of business opportunity analysis on the success and development of MSMEs in Balikpapan City.

Business opportunity is a risk that must be taken and faced to manage and organize all matters related to finance. The word business opportunity consists of two words, namely opportunity and business. Opportunity can be interpreted as a chance to come or something that can happen that can generate profits. Effort, defined as the act of directing energy and thought towards (Hardi & Noor, 2023). Therefore, the definition of a business opportunity is an opportunity that arises for profit or can also be interpreted as an opportunity that arises at a certain time that can provide a great opportunity for profit if something is done at that opportunity by directing energy and thought (Hardi & Noor, 2023). Business opportunities are a potential market in business that can satisfy the needs and desires of consumers, business opportunities can arise when an entrepreneur has a business idea, finds the idea whether it has a profitable nature or not and then if the idea has a commercial nature, it will be expanded into a part of the business that is needed to become a trend in a wider circle. (Miftitah & Mashudi, 2023). In the business world, there are various opportunities that businesses can take advantage of to improve their position and performance in the market. First, they can capture the market from

competitors by offering better products or services or with more effective marketing strategies. Second, there are opportunities to take over positions currently occupied by competitors, perhaps with innovations or new approaches. Third, businesses can identify and fill competitive gaps that may be left or ignored by other competitors. Fourth, there is an opportunity to destroy the market leader's dominance in revolutionary ways. Finally, businesses can see unmet market imperfections and try to fill them (Fadhillah & Yuniarti, 2023) According to (Kotler & Philip., 2016) SWOT analysis is a comprehensive assessment of the strengths, weaknesses, opportunities, and threats of a company. This analysis is needed to determine several strategies in the company. According to (Gürel & Tat, 2017) SWOT compares strengths, weaknesses, opportunities and threats. Strengths and weaknesses are reviewed to determine current and future opportunities and threats. The clearer the knowledge of strengths and weaknesses, the smaller the opportunities that are not achieved. Good opportunities can be used to counter threats, and weaknesses can be overcome through the company's strengths. According to (Rasta et al., 2024) SWOT analysis is an analytical method in managing a business or organization that is carried out systematically to help develop a comprehensive plan to achieve goals, both short and long term, this analysis must be carried out by every company. Another definition of SWOT analysis is a descriptive analysis that provides a description of the situation and conditions. SWOT analysis is a powerful instrument in determining strategy, this efficacy lies in the ability of strategy makers to maximize the role of strengths and take advantage of opportunities so that at the same time it acts as a tool to minimize the weaknesses that exist in the organizational body and reduce the impact of threats that arise and must be faced. (Suriono, 2021)

MSME stands for Micro, Small, and Medium Enterprises. The term refers to a business segment consisting of businesses that are small to medium-sized in terms of number of employees, turnover, and assets owned (Jannah et al., 2024). MSMEs (Micro, Small and Medium Enterprises) are one of the drivers of the nation's economy and have an important role in the economy in Indonesia because they can encourage and improve the economy in a sustainable and sustainable manner (Nuvitasari & Martiana, 2019). UMKM mempunyai peranan penting dan strategis dalam pembangunan national economy. In addition to their role in economic growth and employment, MSMEs also play a role in distributing the results of development. (Suyanto & Kurniawan, 2019). According to (Sudrartono et al., 2022) MSMEs are business activities run by individuals, households, or small-scale business entities. Usually, MSME businesses are classified through annual revenue, number of employees, and assets owned. The government has regulated the management of MSMEs in Law Number 20/2008 on Micro, Small, and Medium Enterprises..

Business development according to (Kotler & Amstrong., 2016) is a company's effort to create and maintain long-term relationships with customers, with a focus on creating added value for consumers and companies. According to (Maskhulin et al., 2024) Business development is a process carried out by companies to improve performance through improving product and service features, developing products or services, entering new markets, and establishing cooperation with other parties. Business development is also considered a very valuable activity for managers and team members involved in the organization or company. The purpose of business development is to ensure the delivery of business value and benefits to customers.

There are several important points in strategic business development, such as referring to the vision and mission, having a long-term view and goals, and developing an overall plan. By referring to these definitions, it can be concluded that business development is a process or activity carried out by a company to improve performance as part of a business development effort that aims to ensure the delivery of business value (Maskhulin et al., 2024)

METHOD

This research uses a descriptive research approach. According to (Arikunto, 2019) Descriptive research is research intended to investigate circumstances, conditions or other things that have been mentioned, the results of which are presented in the form of a research report. In descriptive research, phenomena exist in the form of forms, activities, characteristics, changes, relationships, similarities and differences between one phenomenon and another. According to (Sugiyono, 2019) descriptive research is research conducted to determine the value of independent variables, either one or more (independent) variables without making comparisons, or connecting with other variables..

This research prioritizes actual problems as they are at the time of the research. All data is processed according to its authenticity, without any manipulation or subjective interpretation. This research describes the events and events observed without giving special behavior to the event, so that the results obtained are purely based on the real conditions that occur in the field. Researchers can analyze single data or more than one variable to get a comprehensive picture of the phenomenon under study.

The types and sources of data used in this research come from literature books and related journals relevant to the topic of MSMEs, so that the analysis carried out can be supported by a strong theoretical basis. Inductive analysis is used to find multiple realities as found in the data, which means that research findings are taken directly from the data collected without any initial assumptions or hypotheses that direct the analysis. This approach allows researchers to identify patterns and themes that emerge from the data naturally.

The collected data is then analyzed descriptively to identify the business strategies used by these MSMEs. This descriptive approach helps in understanding how MSMEs in Balikpapan City run their business and what strategies have been implemented to survive and thrive in the local market. In addition, SWOT analysis is also conducted to evaluate the strengths, weaknesses, opportunities, and threats faced by MSMEs in Balikpapan City. By using a population of five sub-districts in the city and taking samples of 10 MSMEs each, this study can provide a more representative picture of the condition of MSMEs in different areas of the city.

The results of SWOT analysis help in understanding the internal and external factors affecting MSMEs, so that they can be used to formulate more effective and efficient strategies. Thus, this study not only provides information on the actual condition of MSMEs in Balikpapan City, but also offers insights that can be used by stakeholders to support the development of MSMEs more strategically.

RESULT AND DISCUSSION

The Micro, Small and Medium Enterprises (MSMEs) industry is increasingly showing significant growth in its development. Various creative and innovative products and services continue to emerge from MSME players who often hide behind stories and inspirational stories.

Entering an increasingly advanced digital era, it is important for MSME players in Balikpapan city to have a deep understanding of the strengths and weaknesses of their business. One of the methods used to analyze this is SWOT analysis.

SWOT stands for strengths (streanghts), weaknesses (weaknesess), opportunities (opportunities), and threats (threats). In a business context, SWOT analysis is an effective tool to help MSME players formulate the right strategies and decisions to improve performance and competitiveness.

Based on the analysis, various business strategies commonly used by MSMEs in Balikpapan City were found. Some of these strategies include product differentiation, marketing through social media, collaboration with other businesses, use of information technology, and business network development. In addition, SWOT analysis identified strengths of MSMEs such as the quality of local products, adaptability to market changes, and support from the local government.

However, weaknesses such as limited capital and lack of managerial expertise were also found. By understanding effective business strategies, MSMEs can improve their competitiveness, expand market share, and achieve sustainable growth. The strategic recommendations resulting from this study are expected to guide MSME entrepreneurs in planning and implementing appropriate business strategies.

The challenges faced by MSMEs in Balikpapan City do not stop at limited capital and managerial skills. In this digital era, competition is getting tougher with new players entering the market through global e-commerce platforms. Therefore, MSME players need to continue to innovate and improve their digital capabilities. Training and workshops focused on improving digital literacy and the use of online marketing tools are very important. In addition, collaboration with educational institutions and training institutions can also help in honing the technical and managerial skills of business players.

Local governments are expected to be more proactive in providing concrete support, such as providing easier access to capital, creating policies that support the growth of MSMEs, and building adequate digital infrastructure. In addition, the development of local digital platforms that can facilitate wider sales of MSME products should also be considered. Through this initiative, MSMEs can more easily reach a wider market, both at the national and international levels.

By utilizing regular SWOT analysis, MSMEs in Balikpapan can continue to identify new strengths and opportunities, as well as address existing weaknesses and threats. Emphasis on product and service innovation, as well as quick adaptation to market and technology trends, will be key in maintaining their business sustainability and growth. On the other hand, building strong business networks with other businesses will also help create a more solid and supportive business ecosystem. Thus, MSMEs in Balikpapan will not only be able to survive, but also thrive and compete in this digital era.

COCLUSION

The conclusions of this study are: Business Strategies Used: MSMEs in Balikpapan City apply various business strategies that have been proven effective, including product differentiation, marketing through social media, cooperation with local suppliers, and personalized customer service. By adopting these strategies, MSMEs can differentiate themselves from competitors, increase brand visibility, expand markets, and strengthen relationships with customers. In the face of increasing competition, continuously developing and refining business strategies is the key to success for MSMEs in Balikpapan City. Strengths of MSMEs: MSMEs in Balikpapan City have product diversity, strong customer loyalty, and involvement in local communities as key strengths. These strengths provide a solid foundation that can be utilized in developing an effective business strategy. By utilizing product diversity and listening carefully to customer needs, MSMEs can maintain customer loyalty and expand their market share. Weaknesses of MSMEs: Despite their great potential, some weaknesses of MSMEs in Balikpapan City are also identified, such as limited capital for expansion and intense competition. To improve their competitiveness, MSMEs need to address these weaknesses by finding creative solutions, such as seeking alternative funding sources and improving their operational efficiency. Opportunities and Threats: The SWOT analysis highlights several opportunities available to MSMEs in Balikpapan City, such as potential market growth and high demand for local products. However, there are also threats such as changing market trends and intensifying competition. In order to take advantage of existing opportunities and face emerging threats, MSMEs need to have a deep understanding of the market and always be ready to adapt quickly through appropriate business strategies. Thus, MSMEs can remain a relevant and sustainable player in the dynamic business ecosystem in Balikpapan City.

Based on the conclusions obtained from this study, the following are some recommendations that can be implemented by MSMEs in Balikpapan City to improve their performance and competitiveness: Improved Digital Literacy and Technology: MSMEs need to improve their digital literacy and information technology utilization to expand their marketing reach and operational efficiency. Regular training on e-commerce, digital marketing, and social media management can help MSMEs reach more customers and manage their business more effectively. Access to Capital: Overcome capital limitations by seeking wider access to capital through partnerships with financial institutions, government assistance programs, and private investors. MSMEs can also utilize crowdfunding platforms to obtain additional funds for business expansion. Product Development and Innovation: MSMEs must continue to innovate in product development to meet changing market needs. Adopting a research and development (R&D)-based approach can help MSMEs create new products that are more competitive and attractive to consumers. Managerial Capacity Building: Managerial capacity building through training and mentoring in financial, operational and human resource management. This will help MSMEs make better decisions and manage their businesses more efficiently. Business Collaboration and Networking: Build strong business networks with other business actors, including suppliers, distributors, and strategic partners. This collaboration can open up new opportunities, improve supply chain efficiency, and reduce operational costs. Focus on Customer Service: Provide superior and personalized customer service to increase customer loyalty and satisfaction. Proactively listening to customer feedback and customizing

services according to their needs will help MSMEs retain and expand their customer base. Adaptation to Market Trends: Keep abreast of market trends and consumer behavior to adapt immediately and capitalize on emerging opportunities. MSMEs need to be flexible and responsive to market changes to stay relevant and competitive.

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