

Development Strategy for The Merah Putih Cooperatives Business in Sawahan Village Based on SWOT Analysis

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Article Information		Abstract
Submission date	4 February 2026	Research aim : This study aims to analyze the strengths, weaknesses, opportunities, and threats (SWOT) of Koperasi Merah Putih, and formulate effective and efficient business development strategies for the development of cooperatives. Design/Method/Approach : The method used is quantitative with an observational descriptive approach. Data was collected through interviews, observations, and documentation, and analyzed using SWOT analysis. Research Finding : This study identifies SWOT analysis and effective business development strategies. Theoretical contribution/Originality : This study provides a deeper understanding of the application of SWOT analysis in the context of cooperatives in Indonesia, as well as filling gaps in the literature related to business development strategies. Practitioner/Policy implication : These findings can be used by companies to formulate more targeted business development strategies and support the development of cooperatives in Indonesia. Research limitation : This study discusses the Merah Putih Cooperative and its development. Keywords : Development Strategy, SWOT Analysis, Koperasi Merah Putih, Strategy Management, Cooperative
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1. Introduction

Cooperatives in Indonesia are an important tool in improving the economy of rural communities. Cooperatives function as institutions that help achieve social and economic justice for all their members. This is in line with the principles stated in Article 33 Paragraph (1) of the 1945 Constitution [1]. Cooperatives are one of the people's economic institutions that have an important role in improving the welfare of members and the wider community. Part of a business entity based on the principles of family and mutual cooperation, cooperatives aim to encourage community economic empowerment with a focus on shared welfare, not just personal gain. This is in line with the provisions of Law Number 25 of 1992 concerning Cooperatives, which regulates various aspects related to cooperatives in Indonesia, such as the principles, objectives, and management of cooperatives. This law also aims to adapt the development of cooperatives to economic dynamics and ensure the realization of cooperative life in line with the 1945 Constitution [1].

Business development is an effort undertaken by a company to improve its performance and growth. It involves several steps and decisions to optimize resource utilization, expand markets, increase the value of products or services, and strengthen competitiveness in the relevant industry [2]. There are several types of development strategies, namely:

1. Business development strategy: a plan to identify, maintain, and acquire new clients and business opportunities to increase company profits. This can include branding strategies, competitor analysis, and product promotion.
2. Product development strategy: a focus on innovation and improvement of existing products. The goal is to create added value for consumers and increase competitiveness.
3. Personal development strategy: involves enhancing behavioral science and self-analysis for personal development. The second and or third paragraphs present the state of the art research, namely previous research discourses that reinforce the urgency of the article.

Cooperatives are expected to provide a platform for communities to independently develop their economic potential and to distribute prosperity equitably through business activities aimed at the common good. One method that can be used to help analyze a company's condition is by using a strengths, weaknesses, opportunities, and threats (SWOT) analysis, which will serve as a basis for planning and developing strategies [3]. A SWOT analysis allows a company to choose a strategy by considering internal factors such as strengths and weaknesses while taking into account existing and potential external factors, namely opportunities and threats [4]. The application of SWOT analysis to a company is intended to provide guidance to simplify operations. Smarter focus, therefore, applying SWOT analysis is better for that. Understanding various ideas from various angles [5]. A study by Riphoh Delzy Perkasa, Nurhidayanti Sitorus, and Anna Wahyuni Siregar entitled "SWOT Analysis as a Strategy for Developing a Prosperous Independent Cooperative" revealed that cooperatives also have several weaknesses, such as a lack of funding, insufficient innovation, and a limited product diversity[6]. In practice, many cooperatives in Indonesia still face various challenges in managing and developing their businesses. This situation makes it difficult for some cooperatives to develop optimally and are unable to compete in an increasingly competitive economic climate.

The Merah Putih Cooperative is a cooperative engaged in business and has great potential to support the economy of its members. The main objective of establishing the Merah Putih Cooperative is to strengthen the village economy and improve the welfare of village communities through joint ventures based on mutual cooperation and kinship. This cooperative is expected to become the foundation for village economic development and realize economic independence at the village level [1]. As an institution founded on the principles of mutual

cooperation and togetherness, the Merah Putih Cooperative is expected to help reduce social and economic inequality that often occurs at the village level. However, the Merah Putih Cooperative still faces several problems, both internally, such as how to manage groups and employees, and externally, such as changing business conditions, the level of competition, and constantly evolving market needs. Previous results have shown that one of the most effective methods for understanding a company's condition is to use a strengths, weaknesses, opportunities, and threats (SWOT) analysis, which can then serve as the basis for planning and developing strategies [7].

This analysis aims to identify the company's internal and external factors. Internal factors encompass the identification of the company's strengths and weaknesses, while external factors involve recognizing the opportunities and obstacles it might face. According to Kotler (2009: 51), a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a way to examine the external and internal marketing environment [8]. The Merah Putih Cooperative was chosen as the research object because it is a new cooperative whose formation was directly instructed by the President. Through the application of a SWOT analysis, the Merah Putih Cooperative is expected to be able to determine strategies that can increase competitiveness, expand its business network, and improve its managerial and operational performance. The aim is to analyze the internal and external factors that influence appropriate development to support the future growth and sustainability of the Merah Putih Cooperative.

1.1. Statement of Problem

This study formulates the following problems:

1. How to analyze the strengths, weaknesses, opportunities, and threats in Merah Putih Cooperative?
2. How is an effective development strategy?

1.2. Research Objectives

1. To analyze the strengths, weaknesses, opportunities, and threats of Merah Putih Cooperative
2. To analyze effective development strategy

2. Method

This research uses a quantitative approach with a descriptive observational method. The research aims to obtain an overview of the phenomenon. Activity descriptions are conducted systematically and focus more on factual data than conclusions [9]. Quantitative research is a type of research that uses numerical data, analyzed using statistical methods to test hypotheses based on theory. Quantitative research uses an approach based on cause-and-effect relationships, relationships between variables, hypotheses, and clearer questions. This method also involves measurement, observation, and testing of a theory. Research using this approach typically involves experiments, followed by surveys, and the results are analyzed using statistics to obtain the desired answers.

The purpose of this research is to identify the strengths, weaknesses, opportunities, and threats of the Merah Putih Cooperative. Furthermore, the researcher provides a design formulation for developing an appropriate development strategy for the Merah Putih Cooperative, particularly in Sawahan Lengkong Village, Nganjuk.

This study uses descriptive research. Descriptive research is a research method that aims to describe the object or subject being studied objectively. This method seeks to present facts and characteristics of the object, as well as the frequency of the research, systematically and clearly. Descriptive research results are usually presented in broad and detailed. Quantitative descriptive research is a type of research that simply explains or reports the content of a variable without aiming to test a specific hypothesis. This research then draws conclusions about observable phenomena using numbers.

From this definition, it can be concluded that quantitative descriptive research aims to explain a variable based on numerical data, without testing hypotheses, and then draws conclusions based on observed phenomena through numerical analysis.

3. Results and Discussion /Hasil dan Pembahasan

Based on the results of research on business development strategies based on a SWOT analysis at the Merah Putih Cooperative in Sawahan Village, Lengkong District, Nganjuk, using various valid and reliable data. The data collection process was carried out using observation, interviews, and documentation methods. Identifying various factors, both external and internal, is crucial. Evaluation of variables that indicate the strengths, weaknesses, opportunities, and threats to an institution or company must be carried out. Based on these factors, an analysis and identification of the problems faced are carried out to identify possible changes in direction that are more in line with existing capabilities and conditions.

Table 1. Analysis IFAS (Internal Factor Analysis Summary)

Internal Factors	Weight	Rating	Value
Strengths			
Good quality of cooperative services from KDMP administrators	0,08	2	0,16
The human resource capabilities of the administrators who carry out their duties very well	0,15	3	0,45
KDMP receives direct supervision and assistance from the government	0,15	4	0,6
Loyalty and trust of cooperative members	0,10	3	0,3
Subtotal	0,48		1,51

Weakness			
Cooperative facilities and infrastructure are inadequate	0,08	2	0,16
Human resources who are not yet experienced in the cooperative sector (there is no training for administrators)	0,10	2	0,2
Cooperative services are not yet optimal	0,15	2	0,3
Unrealized government assistance	0,20	3	0,6
Subtotal	0,53		1,26
Total	1,01		2,77
X= 2,77			

Source: Data processed by researchers 2025

Table 2. Analysis EFAS (Eksternal Factor Analysis Summary)

Eksternal Factors	Weight	Rating	Value
Opportunities			
Huge market opportunities for cooperative business development	0,10	4	0,40
Collaborating with community businesses, namely blacksmiths	0,15	4	0,60
Utilizing digital technology for collaboration with small businesses	0,15	3	0,45
Government support	0,15	4	0,60
Subtotal	0,55		2,05
Threat			
Competition between cooperatives and community businesses	0,08	2	0,16
Cooperative competition with other cooperative businesses	0,10	3	0,30
Economic conditions that affect cooperatives	0,20	1	0,20
Lack of use of technology to attract public interest	0,10	2	0,20
Subtotal	0,48		0,86
Total	1,03		2,91
Y= 2,91			

Source: Data processed by researchers 2025

Based on the results of the Internal Environmental Analysis (IFAS) and External Environmental Analysis (EFAS) at the Merah Putih Cooperative in Sawahan Village, the following Cartesian diagram was formed:

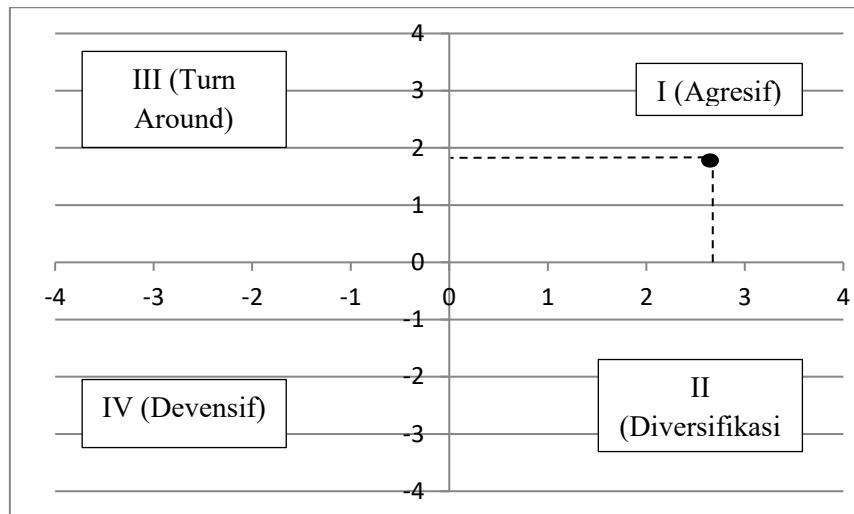


Figure 1. Diagram SWOT

Based on the SWOT analysis above, the Merah Putih Cooperative in Sawahan Village is in quadrant I (Aggressive) with X-coordinates of 2.77 and Y-coordinates of 2.91. Quadrant I is considered quite favorable for a company because it possesses strengths and opportunities, allowing it to capitalize on these opportunities effectively [10]. Therefore, the Merah Putih Cooperative in Sawahan Village demonstrates significant internal strengths (positive X-value) and faces significant external opportunities (positive Y-value). Therefore, the appropriate strategy is an Aggressive Strategy (SO), which utilizes all of the cooperative's strengths to seize and optimize existing opportunities. The following are aggressive strategies that can be implemented at the Merah Putih Cooperative in Sawahan Village.

Table 3. SWOT Matrix Analysis

INTERNAL EKSTERNAL	STRENGTHS	WEAKNESS
	• Good quality cooperative services from KDMP administrators (S1) • Human resource capabilities from administrators who perform their duties very well (S2) • KDMP receives direct supervision and assistance from the government (S3) • Loyalty and trust of cooperative members (S4)	• Inadequate cooperative facilities and infrastructure (W1) • Inexperienced human resources in the cooperative sector (no training for administrators) (W2) • Suboptimal cooperative services (W3) • Unrealized government assistance (W4)
OPPORTUNITIES	STRATEGY (S-O)	STRATEGY (W-O)
• Large market opportunities for cooperative business development (O1) • Collaboration with community-based businesses, such as blacksmiths (O2) • Utilization of digital technology for collaboration with small businesses (O3) • Government support (O4)	• Maintaining service quality and improving human resource quality to attract greater market opportunities (S1, S2, O1) • Leveraging human resource quality and government assistance to support technology utilization in collaboration with small businesses (S2, S3, O3)	• Optimizing facilities and infrastructure to support cooperative business development in large market opportunities (W1, O1) • Improving cooperative services for marketing blacksmith products from community businesses (W3, O2)
THREATS	STRATEGY (S-T)	STRATEGY (W-T)
• Competition between cooperatives and community wholesale businesses (T1) • Competition between cooperatives and other cooperative businesses (T2) • Economic conditions affecting cooperatives (T3) • Lack of use of technology to attract public interest (T4)	• Improve service quality and human resource capabilities, and utilize direct government assistance to outperform other cooperative businesses (S1, S2, S3, T2). • Utilize government assistance to gain greater access to wholesale businesses (S3, T1).	• Optimizing cooperative infrastructure and services to create more business opportunities and attract public interest in joining KDMP (W1, W3, T2) • Improving management experience through training to prepare for uncertain economic conditions (W2, T3)

Source: Data Processed by Researchers 2025

Table 4. Formulation of SWOT Matrix Strategy Combination

IFAS-EFAS	Opportunities (O)	Threats (T)
Strength (S)	Strategy (SO) $= 1,51 + 2,05$ $= 3,56$	Strategy (ST) $= 1,51 + 0,86$ $= 2,01$
Weakness (W)	Strategy (WO) $= 1,26 + 2,05$ $= 3,31$	Strategy (WT) $= 1,26 + 0,86$ $= 2,12$

Source: Data Processed by Researchers 2025

Based on the table above, it can be seen that the highest score is the Strengths-Opportunities (SO) strategy with a score of 3.56; the Strengths-Threats (ST) strategy with a score of 2.01; the Weakness-Opportunities (WO) strategy with a score of 3.31; and the Weakness-Threats (WT) strategy with a score of 2.12. From these results, the strategy that should be considered and implemented by the company is the Strengths-Opportunities (SO) strategy, because the SO strategy has a higher value than the other strategies. Thus, it can be concluded that in this situation, the Strengths-Opportunities (SO) strategy has the greatest impact on the sustainability of cooperative operations.

Table 5. Internal-External Matrix (IE)

EFAS – IFAS	Strong 4,00-3,00	Keep 2,99-2,00	Weak 1,99-1,00
Strong 4,00-3,00	I	II	III
Keep 2,99-2,00	IV	V Internal : 2,77 External : 2,91	VI
Weak 1,99-1,00	VII	VIII	IX

Source: Data by researchers 2025

Based on the results of the IFAS and EFAS matrix grouping above, the score serves as a benchmark for determining the company's position in the IE matrix, which will be placed in one of the cells. Each cell in the matrix has a specific meaning that reflects the company's condition. As seen from the table above, the Merah Putih Cooperative in Sawahan Village is in cell V. The strategy needed by the Merah Putih Cooperative in Sawahan Village is hold and maintain, which means maintaining and maintaining the business. Development strategies that can be implemented are through market penetration and business development.

Based on the results of the SWOT analysis above, it is known that the results of interviews with informants obtained internal factors, namely, strengths and weaknesses X =

2.77. And external factors, namely, opportunities and threats $Y = 2.91$. So that a Cartesian diagram is formed in quadrant I (Aggressive). This occurs because the Merah Putih Cooperative in Sawahan Village has high strengths and opportunities, so it is considered quite profitable in a company by utilizing these opportunities well. Furthermore, the Merah Putih Cooperative in Sawahan Village needs to carry out several appropriate strategies, namely the Aggressive Strategy (SO), which is utilizing all the strengths of the cooperative to seize and optimize existing opportunities. The following are aggressive strategies that can be applied in the Merah Putih Cooperative in Sawahan Village:

1. Business development and product diversification strategies

The Merah Putih Cooperative can expand its business and product offerings by leveraging member trust and the potential of the village market. This diversification can take the form of adding new business units, such as providing basic necessities, offering a wider variety of savings and loan services, or processing products Local village. With the strength of the cooperative organization and the potential for market demand, this development can increase cooperative income and member welfare.

2. Strategy to improve service quality and management professionalism

The cooperative's strengths in human resources and organizational structure can be maximized to improve the quality of service to members. This can be achieved through management training, improved administrative systems, and the implementation of transparency and accountability principles. By increasing public awareness of cooperatives, professional service will strengthen member loyalty and attract new members.

3. Cooperative technology utilization and digitalization strategies

Cooperatives can leverage internal strengths such as management readiness and member support to capitalize on opportunities for technological advancements. Digitalization can be achieved through app-based financial recording, cooperative business promotion through social media, and faster and more efficient member service systems. This strategy can expand market reach and increase cooperative competitiveness.

4. Strategy for Strengthening Cooperation and Partnerships

With their established reputation and trust, cooperatives can collaborate with other businesses, MSMEs, financial institutions, and government agencies. Opportunities for support from village economic empowerment programs can be leveraged to strengthen capital and expand marketing networks. This collaboration will accelerate the sustainable growth of cooperative businesses.

5. Market expansion strategy and increased member participation

Cooperatives can leverage the strength of member solidarity to expand their markets, both at the village level and in surrounding areas. Increasing member participation can be achieved by encouraging members to actively use cooperative products and services. With still-vast market opportunities, this expansion will strengthen the cooperative's position as a village economic institution.

Thus, the aggressive strategy in Quadrant I emphasizes maximizing the cooperative's internal strengths to seize external opportunities, enabling the Merah Putih Cooperative to grow, develop, and be competitive sustainably. This strategy is highly suitable for implementation as a basis for cooperative business development based on the results of a SWOT analysis. This is in line with Denies Susanto's research because the research results show that cooperatives are in a strategic position to implement aggressive strategies, and it turns out that the optimal priority strategies are market penetration, market development, and product development.

Based on the analysis results, it is known that the level of effectiveness of the business development strategy of the Merah Putih Cooperative in Sawahan Village obtained the results of the SWOT matrix strategy combination formulation with the highest score, namely the strength and opportunity (SO) strategy of 3.56. And from the results of the IE matrix, the Merah Putih Cooperative in Sawahan Village is in cell V. The strategy needed is hold and maintain, which means maintaining and maintaining the business. Furthermore, the Merah Putih Cooperative in Sawahan Village needs to carry out several appropriate strategies. The appropriate Business Development Strategy for the Merah Putih Cooperative today needs to be directed to utilize its potential, both from internal and external environments. In the Bretton Woods era, a system based on gold coins required cooperatives to strengthen

performance by utilizing internal potential and external opportunities. Cooperatives can develop businesses by increasing the productivity of existing business units, so as to provide greater benefits to members. This business development should be tailored to members' needs and local economic potential, thereby increasing revenue and business sustainability. Furthermore, improving service quality is a crucial strategy for cooperative development. Prompt, transparent, and professional service will build member trust and encourage their active participation in cooperative activities. Member trust and loyalty are key assets for cooperative growth, so good service must be a priority in cooperative business management.

Strengthening capital is also part of the Merah Putih Cooperative's business development strategy. Cooperatives can increase capital by optimizing member savings, utilizing remaining business profits from reserve funds, and collaborating with financial institutions or utilizing government assistance programs. Strong capital enables cooperatives to expand their businesses and increase operational capacity. In addition to capital, improving the quality of human resources requires serious attention. Cooperative administrators and members need training in management, finance, and entrepreneurship skills to enable them to manage cooperatives effectively and professionally. Competent human resources will support cooperatives in becoming more independent and competitive. The use of information technology is also a crucial strategy in cooperative business development. The implementation of digital-based administrative and financial systems can improve the efficiency and transparency of cooperative management. The use of digital media in promotions and marketing will help cooperatives reach a wider market and increase business competitiveness.

The Merah Putih Cooperative's business development strategy can also be implemented by developing businesses based on local village potential. By collectively managing and marketing superior community products, the cooperative can create added value and increase members' income. This approach aligns with the cooperative's goal of empowering rural communities economically. Overall, the Merah Putih Cooperative's business development strategy emphasizes strengthening the cooperative's internal resources, improving the quality of services and human resources, utilizing technology, and developing businesses based on local potential. This strategy is expected to encourage sustainable cooperative growth and improve the welfare of its members and the Sawahan Village

community. These results align with research by Rakhmat Hadi Sucipto, which analyzed internal and external factors influencing cooperative performance and the formulation of business development strategies. This emphasizes the importance of internal and external analysis of cooperatives as the basis for formulating business development strategies, using SWOT analysis to identify strengths, weaknesses, opportunities, and threats, and encompassing strategies that can strengthen business units, improve member services, and enhance cooperative development efforts.

4. Conclusion

From the above research, it can be concluded that the research focuses on business development strategies at the Merah Putih Village Cooperative, specifically in Sawahan Village. In this SWOT analysis, it was found that the Merah Putih Village Cooperative has internal and external factors. Internal factors, namely strengths and weaknesses, are as follows. The strengths of the Merah Putih Village Cooperative in Sawahan Village are service quality, human resource capabilities, government supervision and assistance, and member loyalty. However, its weaknesses are inadequate experience, and suboptimal service.

And external factors, namely opportunities and threats, are as follows. The opportunities owned by the Merah Putih Cooperative in Sawahan Village are market opportunities, collaboration with blacksmith businesses, and the use of digital technology. However, the threats are competition with community businesses, competition with other cooperatives, and the influence of economic conditions. Based on the SWOT analysis conducted by the researcher, the business development strategy that can be implemented is to optimize and enhance existing strengths and opportunities. Namely by improving service quality, developing human resource capabilities, utilizing direct supervision and attracting public interest.

This research contributes to the development strategy of operational management businesses, particularly for the Merah Putih Village Cooperative in Sawahan Village. Practically, these findings can be used to formulate effective strategies for the development of the Merah Putih Village Cooperative. To enable the Merah Putih Cooperative to expand its cooperative business and improve the economy, it should conduct training for administrators, enhance collaboration with small community businesses, and improve and utilize currently developing infrastructure and technology. This research still has limitations, therefore it is hoped that future researchers can examine it using analytical methods and additional variables not yet described in previous studies.

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