

# Strategy for Optimizing the Role of BUM Desa in Village Economic Equality: SOAR Analysis

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**Abstract.** This study aims to determine the strategy for optimizing the role of BUM Desa in distributing the village economy, especially in Jangkang Village and Kuala Alam Village based on the results of SOAR analysis. The data used in this research is primary data which comes from observation, questionnaires and interviews. Meanwhile, secondary data comes from documentation in the form of village profiles, village potential, BUM Desa profiles and other supporting data. The data analysis method used is SOAR analysis which consists of four components, namely Strengths, Opportunities, Aspirations, and Results. The research results obtained are the strategy for optimizing the role of BUM Desa Sejahtera and BUM Desa Kuala Alam is the SR strategy.

**Keywords:** Optimization Strategy, BUM Desa, Village Economy, SOAR Analysis.

## 1 Introduction

In the context of national development, village development is also the main focus of the government's development program. The government is committed to improving the welfare of rural communities through holistic and sustainable village development programs. BUM Desa is one of the government's efforts to improve the community's economy. BUM Desa or Village Owned Enterprise is a business entity owned by the community in a village that aims to develop the village economy and improve the welfare of its people. The Indonesian government also provides support to BUM Desa through programs such as the Village Fund and the Village Partnership Program. In addition, the government also provides training and assistance to assist BUM Desa in developing their businesses.

Currently, BUM Desa in Indonesia is growing and has an increasingly strategic role in the economic development of rural communities. This can be seen from the increasing number of BUM Desa that have been established and the increasing number of businesses being run by BUM Desa throughout Indonesia. In Bengkalis Regency there are 136 BUM Desa. One of the BUM Desa that contributed the highest Village Original Income (PADa) in Bengkalis Regency was the BUM Desa Sejahtera, Jangkang Village in 2021 and won the Best II title in 2022. In addition, there was one BUM Desa in Kuala Alam Village which won the BUM Desa Brilliant title, and was selected as one of the 1000 entitled to the Scale Up program, namely obtaining assistance from universities in increasing income through strengthening business and management.

This clearly explains that BUM Desa is one way to improve the economy of rural communities. However, on the other hand, poverty is still a major problem in each region. Based on data obtained from the Central Statistics Agency (BPS), specifically for Bengkalis Regency, the number of poor people over the last five years (2018-2022) has continued to increase. In 2022

alone, the number of poor people will be 36,030 people (6.32%) of the total population. This is of course the task for the district coordination team for the development of BUM Desa to be able to assist in the economic distribution of rural communities. Therefore, researchers are interested in conducting research with the title "Strategy for Optimizing the Role of BUM Desa in Village Economic Equality: SOAR Analysis.

## 2 Research Methods

This research is qualitative research with a descriptive approach. Data collection techniques were carried out through observation, interviews, and questionnaires. The analysis method used is SOAR analysis which consists of four components, namely Strengths (S), Opportunities (O), Aspirations (A), and Results (R). The SOAR strategy concept was first introduced by Starvos and Kelly in 2003 as an alternative to SWOT analysis. SOAR is a business strategy that is based on the positive things a company has to develop and use as superior values (Starvos and Cole, 2013). The SOAR strategy framework is dynamic, modern, and innovative to generate strategic thinking, assess individual and team performance, build strategies, and create strategic plans. The purpose of developing SOAR is to measure an individual's capacity to think strategically about four elements that function in the dynamics of future orientation in the 21st century. As a framework, SOAR focuses on the formulation and implementation of positive strategies by identifying strengths, building creativity in the form of opportunities, and encouraging individuals and teams to share aspirations and determine meaningful outcomes.

## 3. Result and Discussion

### 3.1 Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) Matrix

The IFE Matrix is a strategy formulation tool used to summarize and evaluate strengths and aspirations and provides a basis for identifying relationships between these areas. While the EFE matrix is used to determine the external factors of an organization or company related to opportunities and results that are considered important. External data is collected to analyze matters relating to economic, social, cultural, demographic, environmental, political, governmental, legal, technological, and competition issues (David, 2006). The following presents the IFE and EFE matrices for BUM Desa Sejahtera and BUM Desa Kuala Alam:

**Table 1.** IFE and EFE Matrix for BUM Desa Sejahtera and BUM Desa Kuala Alam

<b>IFE Matrix</b>		
<b>SOAR components</b>	<b><i>BUM Desa Sejahtera</i></b>	<b><i>BUM Desa Kuala Alam</i></b>
<b>Strengths (Civil Society)</b>	It is one of the BUM Desa with an advanced category	It is one of the BUM Desa with an advanced category
	Has activities that are very concerned with the welfare of the village	Has activities that are very concerned with the welfare of the village
	Create programs that can develop village potential	Create programs that can develop village potential
	Provide training and counseling to the community to increase	Provide training and counseling to the community to increase

<b>IFE Matrix</b>		
<b>SOAR components</b>	<b><i>BUM Desa Sejahtera</i></b>	<b><i>BUM Desa Kuala Alam</i></b>
	knowledge and skills in entrepreneurship	knowledge and skills in entrepreneurship
	Before creating and running a new program, BUM Desa seeks approval and input from the village community	Before creating and running a new program, BUM Desa seeks approval and input from the village community
	Always approach the community to introduce and become a BUM Desa partner	Always approach the community to introduce and become a BUM Desa partner
	Monitoring and fostering entrepreneurship for beneficiaries of USP BUM Desa	Has its own market place application with the name "Pasar BUM Desa"
<b>Total Score</b>	<b>1,78</b>	<b>1,84</b>
<b>Aspirations (Social Value)</b>	Established with the aim of improving the economic conditions of society through its business units	Established with the aim of improving the economic conditions of society through its business units
	The community and BUM Desa members know the duties and functions of the BUM Desa	The community and BUM Desa members know the duties and functions of the BUM Desa
	Help offer community business products through BUM Desa	Help offer community business products through BUM Desa
	Using modern technology for each business unit	Using modern technology for each business unit
	Through good and professional management and utilization of resources, BUM Desa is able to increase PAD (Village Original Income)	Through good and professional management and utilization of resources, BUM Desa is able to increase PAD (Village Original Income)
	With the existence of BUM Desa, it can absorb labor from village communities	With the existence of BUM Desa, it can absorb labor from village communities
	Developing the tourism potential of the Jangkang Village River by providing fishing tourism spots	Expand sales market share of processed pineapple to foreign countries
<b>Total Score</b>	<b>1,54</b>	<b>1,49</b>
<b>EFE Matrix</b>		
<b>Opportunities</b>	Easy to get capital in developing its business unit	Easy to get capital in developing its business unit
	Have a good cooperation with partners	Has a strategic location (close to the Bengkalis Regency Education and Government Center)
	Utilizing e-commerce (Shopee, Instagram, Tik-tok, Whatsapp,	Have a good cooperation with partners

<b>IFE Matrix</b>		
<b>SOAR components</b>	<b><i>BUM Desa Sejahtera</i></b>	<b><i>BUM Desa Kuala Alam</i></b>
	Facebook, etc.) and other market place applications in marketing products	Utilizing e-commerce (Shopee, Instagram, Tik-tok, Whatsapp, Facebook, etc.) and other market place applications in marketing products
	Utilizing e-commerce (Shopee, Instagram, Tik-tok, Whatsapp, Facebook, etc.) and other market place applications to increase the digital literacy of BUM Desa administrators	Utilizing e-commerce (Shopee, Instagram, Tik-tok, Whatsapp, Facebook, etc.) and other market place applications to increase the digital literacy of BUM Desa administrators
<b>Total Score</b>	<b>0,73</b>	<b>1,26</b>
<b>Results (Economic Activity)</b>	The people's economy becomes independent and prosperous	The people's economy becomes independent and prosperous
	The community recognizes BUM Desa as a forum for improving the economy	The community recognizes BUM Desa as a forum for improving the economy
	Has the latest technology-based production equipment and has its own website to market products	Has the latest technology-based production equipment and has its own website to market products
	Help promote businesses and community activities through the website/internet	Help promote businesses and community activities through the website/internet
	Contribute to increasing PAD (Village Original Income)	Contribute to increasing PAD (Village Original Income)
	Communities can work as BUM Desa administrators and employees of the businesses beingrun	Communities can work as BUM Desa administrators and employees of the businesses beingrun
	Fishing tours are available	Increasing processed pineapple production and adding overseas partners
<b>Total Score</b>	<b>2,38</b>	<b>2,10</b>

Based on the total scores from the IFE and EFE matrices above, a cartesius diagram for SOAR analysis is then made for each BUM Desa, namely as follows:

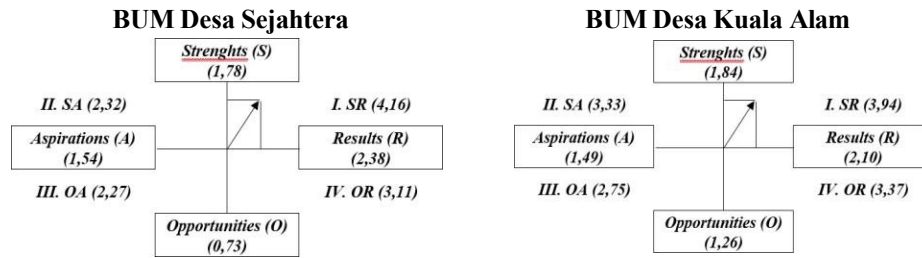


Figure 1. Cartesian diagram for SOAR analysis

### 3.2 SOAR Matrix

After obtaining the total values of the IFE and EFE matrices depicted in the SOAR cartesian diagram, then the results of the combination of SA, OA, SR, and OR strategies from the internal and external environment are obtained in Table 1 above. A combination of matrix strategies that can be compiled from indicators and combined with internal and external factors, the results can be seen in Table 2 and Table 3.

Table 2. SOAR Matrix Combination Strategy for BUM Desa Sejahtera

IFAS/EFAS	Strengths	Opportunities
Aspirations	1. Routinely discuss with the community regarding BUM Desaa management	1. Utilizing good cooperation with partners using e-commerce for product marketing
	2. Providing training on the use of technology and business entrepreneurship counseling on a regular basis	2. Active in the use of digital technology
	3. Recruit strong and professional human resources	3. Building tourist fishing spots
	4. Conduct regular monitoring and coaching for plantation business units	

IFAS/EFAS	Strengths	Opportunities
<b>Results</b>	<ol style="list-style-type: none"> <li>1. The community knows that BUM Desa is a forum for improving the economy through the approach taken by BUM Desa</li> <li>2. Providing entrepreneurship counseling to improve the community's economy to become independent and prosperous</li> <li>3. Creating fishing tourism through developing village potential</li> </ol>	<ol style="list-style-type: none"> <li>1. Utilizing e-commerce in marketing and promoting products</li> <li>2. Initiative and community participation in the development of business units in BUM Desaa</li> <li>3. Professional and transparent in every activity</li> <li>4. Increase partners and business networks</li> </ol>

**Table 3.** SOAR Matrix Combination Strategy for BUM Desa Kuala Alam

IFAS/EFAS	Strengths	Opportunities
<b>Aspirations</b>	<ol style="list-style-type: none"> <li>1. Routinely discuss with the community regarding BUM Desaa management</li> <li>2. Providing training on the use of technology and business entrepreneurship counseling on a regular basis</li> <li>3. Recruit strong and professional human resources</li> <li>4. Strengthen the use of the market place application that has been built "Village BUM Market".</li> </ol>	<ol style="list-style-type: none"> <li>1. Members are active and move according to the duties and functions of each business unit</li> <li>2. Utilizing good cooperation with partners using e-commerce for product marketing</li> <li>3. Active in the use of digital technology</li> <li>4. Expanding the market share of processed pineapples that has not been maximized</li> </ol>
<b>Results</b>	<ol style="list-style-type: none"> <li>1. Empower existing websites as promotional tools</li> <li>2. Utilize the "Village BUM Market" application to increase PAD contribution</li> <li>3. Providing entrepreneurship counseling by</li> </ol>	<ol style="list-style-type: none"> <li>1. Maximum use of e-commerce in promoting products</li> <li>2. Initiative and community participation in the development of business units in BUM Desaa</li> <li>3. Utilizing strategic locations for the development of each "City Center" business</li> </ol>

IFAS/EFAS	Strengths	Opportunities
	prioritizing the use of digital technology.	4. Increase partners and business networks
	4. Improving the quality of pineapple plantations and processing and adding partners abroad.	

## 4 Conclusion

Based on the results obtained, it can be concluded that the strategy for optimizing the role of BUM Desa Sejahtera is the SR strategy, namely SR-1 The community knows that BUM Desa is a forum for improving the economy through the approach taken by BUM Desa; SR-2 Providing entrepreneurship counseling to improve the community's economy to become independent and prosperous; SR-3 Creating fishing tourism through developing village potential. Meanwhile, the strategy for optimizing the role of BUM Kuala Alam Village also shows the SR strategy, namely SR-1 Empower existing websites as promotional tools; SR-2 Utilize the "Village BUM Market" application to increase PAD contribution; SR-3 Providing entrepreneurship counseling by prioritizing the use of digital technology; SR-4 Improving the quality of pineapple plantations and processing and adding partners abroad.

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