

Formulation of Priority Strategy for Implementing Performance Management in F&B MSMEs Using SWOT and QSPM Approaches

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ABSTRACT

The food and beverage sector competition demands efficiency and digital readiness amid managerial and digital constraints. This study aims to determine priority strategies to improve the performance of MSMEs in the food and beverage sector, with a case study. The methods employed in this study use a mixed-method approach, combining qualitative analysis and quantitative strategic tools, including business model canvas for initial business mapping, internal factor evaluation matrix, external factor evaluation matrix, internal-external matrix, SWOT analysis, and quantitative strategic planning matrix. The results indicate that the F&B MSME is positioned in cell V (hold and maintain) based on the IE matrix. The SWOT analysis generates several alternative strategies, which are further evaluated using a quantitative strategic planning matrix to determine priority strategies. The main selected strategy is WO2, which focuses on improving internal management systems, including expanding cashier access and developing more structured operational standard operating procedures supported by the potential for increasing online-based sales volume, with the highest Total Attractiveness Score (TAS) of 4.18. The next strategies are WO1 (TAS 3.31) and WT2 (TAS 3.01), which emphasize improving human resource competencies and enhancing digital promotion activities.

Keywords: Business Model Canvas, Food and Beverage Sector, MSMEs performance, QSPM, Strategic Management, SWOT Analysis.

INTRODUCTION

The Micro, Small, and Medium Enterprise (MSME) sector is the backbone of Indonesia's economy, absorbing 97% of the workforce, yet it faces a severe productivity gap (Ministry of Cooperatives and Small and Medium Enterprises, 2024). Despite representing 99.9% of enterprises, MSMEs contribute only 60% to GDP, whereas large firms generate up to 39% of GDP despite employing just 3% of the labor force (Wardi & Susanto, 2015). Empirical studies by Ssenyonga (2021) and Ikhsan et al. (2021) confirm that this structural imbalance persists within the domestic ecosystem. Highlighting these structural inefficiencies, reports indicate that small manufacturing firms achieve only 40% of the productivity of large corporations, performing even worse in services (World Economic Forum, 2024). Furthermore, because approximately 67% of MSMEs operate within the informal economy, their capacity for innovation, long-term productivity growth, and integration into global export markets remains severely constrained.

The food and beverage sector, while highly promising, is not immune to these structural challenges (Munawar et al., 2025). MSMEs operating within this industry routinely face a combination of internal and external constraints. Internally, limited capital, unstructured management systems, non-compliance with regulatory standards, and insufficient product innovation continue to hamper growth (Meiryani, 2024). Many food and beverage MSMEs also struggle with revenue volatility stemming from a narrow

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consumer base, dependence on owner-driven decision-making, and inconsistent raw material quality due to environmental factors. Externally, businesses must contend with uncertain supply chains, fluctuating market demand, and the continuous emergence of new competitors and substitute products. These multifaceted challenges stifle MSME growth and productivity, contributing to lower formalization rates and a widening performance gap with larger enterprises.

In this context, effective performance management becomes a critical lever for competitiveness. Performance management is broadly defined as a process that integrates goal-setting, performance assessment, and capability development into a unified system aligned with the strategic objectives of the business (Ikhwan & Himawati, 2024). Organizational competitiveness hinges on the strategic integration of digital transformation, emerging skills, and organizational health to foster sustainable performance factors that remain underexplored in the context of Indonesian MSMEs (Setiawan et al., 2025). Various factors influence an MSME's awareness of and capacity for implementing performance management strategies, including the owner's level of education, business scale, access to relevant information, and accumulated experience (Suparlinah et al., 2019; Yahaya & Nadarajah, 2023). Without a systematic approach to managing performance, MSMEs risk becoming reactive rather than strategic, undermining their long-term viability in an increasingly competitive market.

To address these challenges, strategic planning tools such as SWOT analysis and the Quantitative Strategic Planning Matrix (QSPM) have proven valuable in helping MSMEs navigate complex business environments. Dini and Janet (2024) applied an integrative SWOT-IFE-EFE-IE-QSPM approach to resilient food and beverage MSMEs in Central Java, demonstrating that data-driven strategic prioritization can effectively identify pathways to strengthening competitiveness. Similarly, Sahabuddin et al. (2025) employed QSPM to prioritize and evaluate the attractiveness of strategic alternatives for small and medium food and beverage businesses in Makassar, recommending strategies centered on product quality enhancement and distribution network expansion. While these studies offer valuable methodological frameworks, most existing research focuses predominantly on marketing strategies or broad business development rather than explicitly linking strategic prioritization to performance management outcomes in early-stage, micro-scale MSMEs.

This research gap presents a significant opportunity. Based on data from the Bogor City Cooperatives and MSMEs Office, there were 4,302 MSMEs operating in the food and beverage sector in 2021, reflecting the sector's density and the urgency of improving individual business performance within it. One such business is Sajian Toean, an MSME established in 2022 and located in Pulo Armin, Bogor. Preliminary observations reveal that Sajian Toean has not yet implemented performance management strategies in a systematic manner, a condition that poses risks to its operational effectiveness and competitive positioning. The novelty of this study lies in its explicit orientation toward performance management as the central objective of strategic formulation, using SWOT analysis to map internal and external factors and QSPM to determine the most appropriate priority strategies applied specifically to an early-stage micro enterprise in a highly competitive urban food market. This study aims to determine priority strategies to improve the performance of MSMEs in the food and beverage sector, with a case study of Sajian Toean MSMEs.

LITERATURE REVIEW

Strategic Management in MSMEs

Strategic management plays a crucial role in enhancing the performance and competitiveness of Micro, Small, and Medium Enterprises (MSMEs), particularly in the Food and Beverage (F&B) sector (Gitari, 2023). MSMEs operate in highly dynamic and competitive markets, requiring adaptive strategies that integrate innovation, digital transformation, and entrepreneurial orientation to sustain competitive advantage (Erlangga et al., 2024; Apriyanto et al., 2025). Entrepreneurial orientation, including

innovativeness and risk-taking, has been shown to significantly influence competitive advantage and firm performance in F&B MSMEs (Putera et al., 2021; Parthasarathi & Ongkowijoyo, 2025; Sugiyarsih & Adriyani, 2026). Similarly, digital capability and strategic agility enable MSMEs to respond effectively to market changes and consumer preferences, strengthening their market position (Henryanto et al., 2025).

Moreover, strategic management practices such as the adoption of digital marketing and the utilization of social media platforms significantly enhance business visibility, strengthen customer engagement, and ultimately contribute to improved business performance (Triana & Lestari, 2025). These practices enable MSMEs to reach a broader market segment while maintaining closer interaction with customers in a cost-effective manner. Furthermore, innovation capability and organizational agility play a crucial role in sustaining competitive advantage by improving operational efficiency, encouraging continuous improvement, and supporting product differentiation in an increasingly competitive environment (Suryani & Dwiputra, 2025; Nastiti et al., 2025; Satar et al., 2025). In addition, the integration of knowledge-based strategies and managerial learning systems strengthens the ability of MSMEs to adapt to market dynamics, thereby supporting long-term resilience and sustainable growth in the food and beverage sector (Moron et al., 2025). Strategic management serves as a fundamental framework for MSMEs to build and maintain competitive advantage through innovation, digital transformation, and adaptive capability, which collectively enhance business performance and long-term sustainability (Putri & Kusuma, 2024; Handayani & Masrokhah, 2024).

Performance Management

Performance management in Micro, Small, and Medium Enterprises (MSMEs) is a critical yet complex process due to their limited resources and informal organizational structures (Mendy, 2021; Broccardo et al., 2024; Dewi et al., 2025). Recent studies by Rosyidiana and Narsa (2024) and Kharub et al. (2025) highlight that MSME performance is not only reflected through financial outcomes but also through operational efficiency, innovation capability, and managerial effectiveness. However, performance measurement in MSMEs remains challenging because many firms rely on simplified or inconsistent indicators that fail to capture the overall business condition.

One of the main issues is the overreliance on traditional financial metrics, which do not fully represent MSME performance, especially in dynamic and uncertain markets (Mang'ana, 2025). In addition, MSMEs often lack structured performance management systems, making it difficult to monitor, evaluate, and improve business outcomes systematically (Kafetzopoulos, 2022; Rahmawati et al., 2025). Digital transformation and financial literacy have been identified as important enablers for improving performance measurement practices, yet many MSMEs still struggle to adopt them effectively due to limited capability and awareness (Kumar et al., 2025).

Furthermore, recent literature emphasizes that external challenges such as post-pandemic recovery, technological disruption, and market volatility further complicate performance management processes (Evinita et al., 2025). Therefore, effective MSME performance management requires an integrated approach that combines financial and non-financial indicators while strengthening managerial competence and digital readiness.

Strategic Analysis Tools for MSME Development

Food and beverage sector MSMEs constitute a vital pillar of Indonesia's economy through substantial employment creation, local supply chains, and regional development. Regulated under Law Number 20 of 2008 as productive economic activities owned by individuals or business entities, these enterprises perform a strategic role in national development. Within this industry, MSMEs exhibit distinct operational characteristics, including high adaptability to shifting consumer demand, a strong reliance on localized raw material sourcing, and robust socio-economic resilience when navigating

macroeconomic market fluctuations (Mufid et al., 2025). This positioning solidifies their status as critical agents of domestic economic sustainability.

To improve competitiveness, MSMEs require structured strategic planning using analytical tools such as Business Model Canvas (BMC), SWOT analysis, Internal-External (IFE-EFE) Matrix, IE Matrix, and Quantitative Strategic Planning Matrix (QSPM). These tools help MSMEs identify internal strengths and weaknesses as well as external opportunities and threats, enabling more effective strategy formulation and prioritization. SWOT and QSPM, for instance, are widely used to determine strategic priorities based on quantitative and qualitative assessments, while BMC provides a comprehensive visualization of business components such as value propositions and customer segments (Muhammad et al., 2026). Furthermore, MSME development in the food and beverage sector is strongly influenced by digital transformation and adaptive marketing strategies to sustain competitiveness in dynamic markets (Susanto & Ridwan, 2025; Triana & Lestari, 2025). The integration of strategic analysis tools significantly enhances MSME innovation capacity, operational efficiency, and long-term sustainability in Indonesia's growing food and beverage sector (Mufid et al., 2025).

RESEARCH METHODS

This study employed a mixed-method approach that combines qualitative and quantitative research methods in order to obtain a more comprehensive and in-depth understanding of the research problem (Taherdoost, 2022). The main objective of this study was to analyze the business performance and formulate appropriate strategic recommendations to support the implementation of performance management in MSMEs, particularly in the food and beverage sector. The unit of analysis in this research was the Sajian Toean MSME, which was selected based on the researcher's initial observations indicating that the business is in a growth stage but has not yet implemented a structured and systematic performance management strategy.

Data collection was carried out through several techniques to ensure the richness and validity of the information obtained. The primary data were collected through in-depth interviews with the business owner, who also acted as a key informant due to their comprehensive understanding of business operations. In addition, direct observations were conducted to examine daily operational activities, service processes, and customer interactions within the business environment. Supporting documentation relevant to the research, such as business records and operational data, was also gathered to strengthen the analysis and provide additional empirical evidence.

The data analysis process was conducted in several systematic stages using strategic management tools. The initial stage involved identifying the current business conditions using the Business Model Canvas (BMC) to map the overall structure and key components of the business. Following this, internal and external environmental factors were analyzed using the Internal Factor Evaluation (IFE) Matrix and External Factor Evaluation (EFE) Matrix to determine the strengths, weaknesses, opportunities, and threats faced by the business. The Internal-External (IE) Matrix was then applied to evaluate the overall strategic position of the business within the industry.

Based on the identified position, alternative strategies were developed through SWOT analysis by integrating internal and external factors. In the final stage, the Quantitative Strategic Planning Matrix (QSPM) was used to prioritize the most appropriate strategies for implementation in the Sajian Toean MSME, ensuring that the selected strategies are aligned with both internal conditions and external opportunities.

RESULTS

Mapping the initial business conditions using a business model canvas analysis shows that the Sajian Toean MSME primarily targets families and consumers seeking affordable, generously portioned eateries (the customer age range is 15-65). The core value proposition lies in the quality of its food, offering generous portions at affordable prices, and the restaurant's old-school atmosphere (Mufid et al., 2025). Marketing channels are

still dominated by direct customer interaction, supported by social media platforms like Instagram and WhatsApp, as well as limited use of online delivery platforms. Customer relationships are built through active social media engagement and responses to customer reviews. Sajian Toean's primary source of revenue comes from food and beverage sales.

The primary activities include food and beverage production and customer service, supported by relatively modest physical, human, and financial resources. Partnerships are flexible and do not have a primary partner to address cost efficiency, but this also poses the risk of unstable raw material supplies. The business's cost structure is cost-driven, dominated by production costs, labor, and utilities. The limitations identified in the initial mapping of the Sajian Toean MSME are evident in the lack of optimal digital marketing and a management system that facilitates structured customer relationships. This situation has the potential to hinder business performance and competitiveness, so further analysis was conducted to examine internal and external factors to formulate a more effective strategy (Triana & Lestari, 2025).

Table 1. Analysis of Internal and External Factors

Category	Internal		External	
	Strengths	Weaknesses	Opportunities	Threats
1	Varied menu, generous portions, and affordable prices	Dependence on specific staff and the owner, making replacement difficult	Listed as a recommended culinary destination in Bogor City	Health and diet trends (e.g., carrying tumblers, reducing carbohydrate/beverage consumption)
2	Vintage and old-school concept that attracts customers	No formal inventory and financial recording system	Vintage and old-school branding attracts new customers	Rising raw material prices reduce profit margins
3	Strategic and easily accessible location	Cashier access is limited to the manager and the owner only	Potential for cloud kitchen expansion into online market segments	The rainy season affects sales turnover
4	Signature menu that has gone viral	Digital promotion is not conducted regularly and lacks dedicated personnel	Strong culinary tourism market in Bogor	Uncertain monthly lease agreements (risk of rent increase or non-renewal)
5	Daily operations run smoothly	Limited space; no proper prayer room available	Culinary trends support current business positioning	Potential crisis disruptions (pandemics, social conflicts, global conflicts, etc.)
6	A large number of loyal customers	SOPs and management systems are not documented	—	Regulatory changes (taxation, halal certification, etc.) may become obstacles
7	Stable financial and capital condition	Lack of human resource communication skills	—	—

Table 1 indicates that the business has strong internal strengths, such as a diverse and affordable menu, an attractive vintage concept, strategic location, viral product, loyal customers, and stable finances, but is constrained by weaknesses, including dependence on key personnel, lack of formal systems and SOPs, limited digital marketing, restricted cashier access, and weak HR communication. Externally, it benefits from strong opportunities like culinary recognition, tourism demand, branding appeal, cloud kitchen potential, and supportive trends, while facing threats such as health trends, rising costs, seasonal effects, rental uncertainty, crises, and regulatory changes (Mufid et al., 2025).

Table 2. IFE Matrix

Type	Internal Factors	Weight	Score	Weighted Score
Strength	Varied menu, large portions, and affordable prices	0.02	4	0.06
	Attractive vintage and old-school concept that appeals to customers	0.03	3	0.09
	Strategic and easily accessible location	0.10	3	0.30
	Has signature menu items that have gone viral	0.03	4	0.12
	Daily operations run well	0.01	3	0.03
	Has many loyal customers	0.01	4	0.04
Weakness	Stable financial condition and capital	0.02	3	0.06
	Dependence on key staff and owner (difficult to replace)	0.09	2	0.17
	No formal inventory and financial record-keeping system	0.13	1	0.13
	Cashier access is limited to the operational head and the owner only	0.12	2	0.23
	Inconsistent digital promotion and no dedicated PIC	0.08	3	0.23
	Limited seating capacity; no proper prayer room available	0.07	2	0.13
	SOPs and management systems are not documented	0.14	1	0.14
	Weak human resource communication skills	0.18	3	0.54
Total		1.00		2.26

Table 2 shows that the Internal Factor Evaluation (IFE) results indicate a moderate internal condition with a total weighted score of 2.26. The business's strengths are primarily driven by a strategic location, viral signature menu, diverse and affordable offerings, strong customer loyalty, stable financial condition, and smooth daily operations, which collectively support competitive performance. However, these strengths are constrained by significant weaknesses, particularly weak human resource communication skills, a lack of documented SOPs, an absence of formal inventory and financial recording systems, limited cashier access, and inconsistent digital promotion. The highest contributing weakness is human resource communication, indicating that internal coordination remains a critical issue. The IFE score suggests that while the business has several strong operational advantages, internal management systems are not yet fully optimized, requiring structured improvements to enhance long-term efficiency and organizational stability (Triana & Lestari, 2025).

Table 3. EFE Matrix

Type	External Factors	Weight	Score	Weighted Score
Opportunity	Included in the recommended culinary destinations in Bogor City	0.08	3	0.24
	Old-school and vintage branding attracts new customers	0.06	3	0.18
	Potential for cloud kitchen expansion for the online consumer segment	0.18	2	0.35
	Market potential from the Bogor tourism sector	0.06	3	0.18
	Culinary trends support business positioning	0.07	3	0.21
Threat	Health and diet trends (e.g., carrying tumblers, reducing carbohydrate/drink consumption)	0.12	2	0.25
	Increasing raw material prices put pressure on profit margins	0.03	3	0.08
	The rainy season affects turnover	0.12	3	0.37
	Uncertain monthly lease agreements (risk of rent increase or non-renewal)	0.11	1	0.11

Type	External Factors	Weight	Score	Weighted Score
	Potential crisis disruptions (pandemic, social conflict, world war, etc.)	0.00	1	0.00
	Regulatory changes (taxes, halal certification, etc.) may become obstacles	0.17	1	0.17
Total		1.00		2.14

The external environment plays a crucial role in shaping business sustainability, particularly in highly competitive industries such as the food and beverage sector. The results of the EFE matrix, shown in Table 3, attempt to evaluate the extent to which the Sajian Toean MSME is able to respond to existing opportunities and threats. The total weighted factor score is 2.14, with an opportunity score of 1.16 and a threat score of 0.98. This indicates that the business has moderate responsiveness to external conditions, with opportunities slightly outweighing threats. Key opportunities include strong market potential from tourism, favorable culinary trends, a strategic brand image, and the possibility of expanding through cloud kitchen services (Rahmawati et al., 2025).

However, these are counterbalanced by significant threats such as changing consumer health preferences, rising raw material costs, seasonal impacts, uncertain rental agreements, and regulatory changes. The overall score suggests that while external opportunities are present, the business still needs to strengthen its adaptability to external risks to maximize growth potential. The results of the IFE and EFE matrices will help businesses determine appropriate strategies. The IE (Internal-External) matrix aims to determine the business's position and identify appropriate strategies. The IE matrix for the Sajian Toean MSME is shown in the following Figure 1.

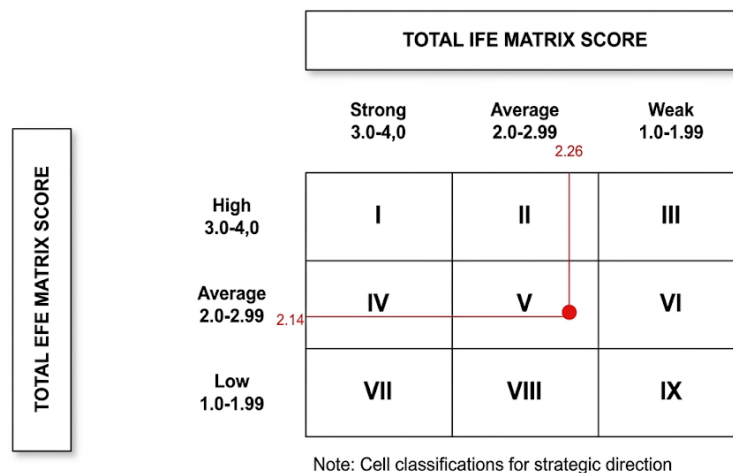


Figure 1. IE Matrix Results

Based on the IE matrix above, Sajian Toean MSME is positioned in cell V, which stands for Hold and Maintain. This position indicates that the overall internal and external conditions of the business are moderate. The coordinates of the matrix, with an Internal Factor Evaluation (IFE) score of 2.26 and an External Factor Evaluation (EFE) score of 2.14, confirm that the business operates in a balanced but not yet strong competitive position. As illustrated in Figure 1, this placement suggests that the appropriate strategic direction is stability-oriented, focusing on maintaining the current market position while gradually improving internal efficiency and strengthening responsiveness to external opportunities. In this condition, aggressive expansion is not yet optimal. Instead, priority should be given to optimizing internal management systems,

enhancing operational effectiveness, and improving adaptability to external market changes (Broccardo et al., 2024).

Table 4. SWOT Matrix

Internal / External	Category	Key Points (Concise)
Strengths (S)	S1	Varied menu, large portions, affordable prices
	S2	Vintage/old-school concept attracting customers
	S3	Strategic and easily accessible location
	S4	Viral signature menu
	S5	Smooth daily operations
	S6	Strong, loyal customer base
	S7	Stable financial and capital condition
Weaknesses (W)	W1	High dependence on owner/key staff
	W2	No formal financial and inventory system
	W3	Limited cashier access (owner/manager only)
	W4	Inconsistent digital marketing, no dedicated staff
	W5	Limited seating & lack of prayer room
	W6	SOPs not formally documented
	W7	Weak employee communication skills
Opportunities (O)	O1	Recognized culinary destination in Bogor
	O2	Vintage branding aligns with market interest
	O3	Potential for cloud kitchen expansion
	O4	Strong tourism market in Bogor
	O5	Culinary trends support positioning
Threats (T)	T1	Health-conscious lifestyle trends
	T2	Rising raw material costs
	T3	The rainy season reduces customer visits
	T4	Uncertain rental/lease conditions
	T5	Crisis risks (pandemic, conflict, etc.)
	T6	Regulatory changes (tax, halal, etc.)

The SWOT matrix in Table 4 shows that the MSME has strong internal strengths, including a varied and affordable menu, strategic location, viral signature product, loyal customer base, and stable financial condition, which support its market competitiveness. However, weaknesses remain in the form of high dependence on the owner and key staff, lack of formal financial and inventory systems, inconsistent digital marketing, limited facilities, and absence of standardized SOPs, indicating weak organizational structure (Rosyidiana & Narsa, 2024). Externally, the business benefits from opportunities such as Bogor's culinary tourism potential, supportive culinary trends, strong tourist market, and cloud kitchen expansion prospects, while facing threats including health-oriented lifestyle changes, rising raw material costs, seasonal weather effects, rental uncertainty, regulatory changes, and broader crisis risks.

Table 5. Strategic Formulation

Strategy Type	Code	Strategy Summary (Concise)
SO Strategies	SO1	Utilize strategic location and viral menu to enhance tourism appeal, branding, and customer loyalty while leveraging culinary trends.
	SO2	Strengthen the vintage and old-school concept to reinforce brand positioning and market attractiveness.
	SO3	Maintain menu variety, affordability, and quality to sustain customer loyalty and adapt to market trends.
WO Strategies	WO1	Improve HR capabilities, especially communication and digital marketing skills, by assigning clear roles and responsibilities.
	WO2	Develop structured internal systems, including finance, SOPs, and cashier access, while supporting online sales expansion.
	WO3	Conduct consistent and scheduled digital marketing to strengthen brand awareness and attract new customers.
ST Strategies	ST1	Use strategic location and signature menu to maintain customer traffic during seasonal declines.
	ST2	Adjust menu offerings to align with healthy lifestyle trends without losing brand identity.

Strategy Type	Code	Strategy Summary (Concise)
WT Strategies	ST3	Optimize financial stability and customer loyalty to manage rising raw material costs through efficiency and pricing control.
	WT1	Improve facilities gradually to reduce the impact of seasonal demand fluctuations.
	WT2	Strengthen digital promotion to maintain relevance with lifestyle and consumer trend changes.
	WT3	Develop SOPs and structured management systems to mitigate regulatory and operational risks.
	WT4	Reduce dependence on key individuals by improving HR structure and operational delegation.

Table 5 shows the results of a SWOT analysis approach based on internal and external factors, which are used to formulate strategic directions for optimizing performance management in the Sajian Toean MSME. The analysis integrates strengths, weaknesses, opportunities, and threats to develop relevant strategies, where strengths are utilized to take advantage of opportunities, weaknesses are addressed by leveraging opportunities, strengths are used to mitigate external threats, and weaknesses are minimized to avoid potential risks from external challenges (Suryani & Dwiputra, 2025).

Based on the strategic alternatives that have been compiled from the SWOT analysis, the next step is to use the QSPM (Quantitative Strategic Planning Matrix) method to evaluate each strategic alternative objectively. This method is used to assess the relative attractiveness level of each strategy based on previously identified internal and external factors (Suryani & Dwiputra, 2025). The results of the Total Attractiveness Score (TAS) calculation will be used as a basis for determining the most appropriate strategy to be implemented by Sajian Toean MSMEs. The strategic priority results from the QSPM analysis are presented in the following Table 6.

Table 6. QSPM Matrix

Priority Rank	Score	Strategy	Strategy Label
1	4.18	Encourage improvements to internal management systems. including expanding cashier access and developing more structured operational SOPs through the potential for online sales volume development.	WO2
2	3.31	Improve human resource competency. particularly in communication and digital promotion management, by dividing roles and responsibilities. leveraging trends that support business positioning.	WO1
3	3.01	Consistently improve digital promotion activities to ensure Sajian Toean remains relevant to trends. lifestyle changes. and consumer preferences.	WT2
4	2.75	Leverage its strategic location and viral signature menu to maintain its potential as a culinary destination in Bogor City, especially for tourists.	SO1
5	1.85	Optimize Sajian Toean's vintage and old-school concept to strengthen its branding and positioning.	SO2
6	1.45	Gradually improve business facilities to minimize the impact of declining visitors due to the rainy season.	WT1
7	1.13	Maintain quality. Menu variations with large portions and affordable prices to increase customer loyalty and leverage viral menu items to keep up with culinary trends.	SO3
8	1	Leverage financial stability and customer loyalty to address the pressure of rising raw material prices through gradual and measured price adjustments and efficient cost management.	ST3

Table 6 presents the QSPM results of SWOT-based strategies selected using IFE and EFE matrix weightings, prioritizing strategies that are most relevant to the key issues faced by the Sajian Toean MSME. The highest priority strategy is WO2 with a score of 4.18, which focuses on improving management systems, expanding cashier access, and

developing better SOPs to support the growth of online sales, reflecting the need to optimize the limited utilization of digital delivery platforms and capture online market opportunities. The second priority is WO1 with a score of 3.31, emphasizing the improvement of HR competencies, particularly communication and role distribution in managing digital marketing activities, addressing the current lack of consistent promotional efforts. The third priority is WT2 with a score of 3.01, which focuses on strengthening consistent digital promotion to ensure the business remains competitive and aligned with evolving consumer trends.

DISCUSSION

The QSPM results indicate that the most prioritized strategic actions for Sajian Toean MSME are strengthening internal management systems, improving employees' communication skills, and establishing a clearer division of tasks. These findings suggest that the core challenge is not limited to external marketing activities, but also lies in internal organizational effectiveness. Weak internal coordination can reduce operational efficiency and hinder the implementation of broader strategic initiatives. This is consistent with Kharub et al. (2025), who emphasize that employee competency, structured job roles, and performance management systems are critical determinants of MSME performance, particularly in labor-intensive sectors such as food and beverage.

From a marketing perspective, Sajian Toean currently demonstrates limited promotional activity. Promotion is primarily conducted through Instagram posts and reposting customer reviews, without a structured digital marketing strategy or targeted campaign design. This indicates that digital marketing capabilities remain underdeveloped. However, prior studies show that digital marketing adoption significantly improves MSME market reach and competitiveness, especially in the post-digital transformation era (Rosyidiana & Narsa, 2024; Susanto & Ridwan, 2025). Furthermore, platform-based capabilities and digital strategy integration enhance strategic agility and competitiveness in F&B MSMEs (Henryanto et al., 2025).

The Internal-External (IE) matrix positions the business in Cell V, which indicates a "hold and maintain" strategy orientation. This position suggests that the business is relatively stable but requires improvement to sustain competitiveness and gradually expand. In this context, three main strategic directions are relevant: market penetration, market development, and product development. Market penetration can be achieved by intensifying promotional activities, expanding marketing personnel, and increasing advertising investment. Strengthening promotional intensity is essential to improve brand visibility and customer retention. Rahmawati et al. (2025) highlight that MSME success is strongly influenced by strategic marketing execution and operational performance consistency.

Market development strategies focus on expanding the customer base through broader distribution channels. For Sajian Toean, this can be implemented by collaborating with online food delivery platforms and optimizing digital ordering systems. Such strategies align with the findings of Triana and Lestari (2025), who argue that digital transformation is a key driver for MSME expansion in the food and beverage sector. In addition, organizational agility and adaptability are crucial for sustaining growth in dynamic markets (Suryani & Dwiputra, 2025). Physical expansion through new branches or alternative sales channels may further strengthen market reach.

Product development is another essential strategy, focusing on menu innovation and adaptation to current culinary trends while maintaining affordability and quality. Innovation plays a significant role in strengthening competitive advantage and enhancing business performance in MSMEs (Putri & Kusuma, 2024; Parthasarathi & Ongkowijoyo, 2025). Continuous product variation also helps maintain customer interest and supports long-term market positioning in a highly competitive industry.

The QSPM and IE matrix results demonstrate strong alignment between internal weaknesses and external opportunities. Strengthening internal management, improving human resource capability, and enhancing digital marketing utilization form the

foundation for implementing market penetration, market development, and product development strategies. This integrated approach is consistent with broader MSME studies emphasizing that sustainable performance is achieved through the synergy of organizational capability, innovation, and digital transformation (Ikhwan & Himawati, 2024; Kumar et al., 2025; Evinita et al., 2025).

CONCLUSION

This study positions Sajian Toean MSME in Cell V of the internal-external matrix, indicating a “hold and maintain” strategic posture. Based on the SWOT framework, several alternative strategies were generated and subsequently prioritized using the quantitative strategic planning matrix. The findings reveal that strategy WO2 is the highest priority, with a total attractiveness score of 4.18. This strategy emphasizes strengthening the internal management system through the expansion of cashier access, development of standardized operational SOPs, and optimization of online sales potential. The second priority is WO1 (TAS 3.31), which focuses on improving human resource competencies, enhancing communication skills, and structuring digital marketing roles and responsibilities in line with current market trends. The third priority is WT2 (TAS 3.01), which highlights the need for continuous improvement in digital promotional activities to maintain relevance with evolving consumer lifestyles and preferences.

The study demonstrates that internal organizational strengthening is more critical than external expansion at this stage of business development. Effective implementation of structured management systems and human resource development plays a central role in enhancing MSME competitiveness and sustainability. The practical implication of this research is that MSMEs can benefit from adopting structured strategic tools such as SWOT, IE matrix, and QSPM to identify and prioritize actionable strategies. These tools support more objective decision-making, particularly in balancing internal weaknesses with external opportunities.

However, this study has limitations. The analysis is based on a single-case MSME, which limits the generalizability of the findings. In addition, the evaluation relies heavily on managerial perceptions, which may introduce subjective bias in assigning weights and attractiveness scores. Future research is recommended to expand the sample size across multiple MSMEs and sectors to improve external validity. Further studies may also integrate quantitative performance data or longitudinal analysis to examine the long-term impact of implementing QSPM-based strategic decisions on business growth and competitiveness.

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*Performance
Management in F&B
MSMEs*

2952
