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# Marketing Strategy Analysis for Small and Medium Scale Business Enterprise (SMEs) for Home Industry Furniture in Leilem, the Regency of Minahasa

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**Abstract.** Leilem is a small village located in Minahasa Regency. This village is well known for furniture products made of Timber. Eventhough the village has been producing various furniture products with high quality since many decades ago, it has not been able to compete with other new entries such furniture from Java, Synthetic Ratan, Plywood and plastic based furniture. The monotonous design and the finishing works done on the furniture have been some of the major issues in the decline of home furniture. The research explores problems and challenges faced by the furniture home Industry. It will also aim at identifying the internal and external factors that prevent the home industry to compete and survive. In the end the research will develop the strategic positioning of the home industry in the midst of competition. The research methodology employs descriptive analysis in which data are collected through observation, interview, and questionnaire. This methodology is combined with IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) Matrix, SPACE Matrix and SWOT Analysis and QSPM (Quantitative Strategic Planning Matrix). The sample is 66 business people, of 823 craftsmen who are working in this business. The result shows this home industry is very competitive in terms of consistency, but in terms of promotion, product quality, price, product diversification, design training of furniture, management and economic scale, it is lagging behind. The home industry should be able to develop marketing networking, improve design and product quality, promotion and cost control, product diversification and these can only be done by intensive training in managing business and investment.

## 1. Introduction

Economic activity of Minahasa Regency of North Sulawesi, among others are Activities of Small and Medium Enterprises (MSMEs) which is the economic potential of industrial processing such as wood furniture industry activities of Leilem village of Minahasa regency. Furniture industry is one of the industrial sectors that continue to grow in Indonesia, including Minahasa District. Industry growth for furniture in 2013 reached 7.26% while the previous year 5.56% (BPS Sulut 2013). The increase in production and growth of the furniture industry, as presented in the Central Bureau of Statistics (BPS) of North Sulawesi, cannot be separated from the role of furniture industries in Leilem Village.



**Table 1.** Selected Indicator of SMEs Development in Indonesia 2013

Business Category	Number of Companies	Employee	PDB Contributions (%)	Investments (Billion Rp)
Micro Enterprise	55.856.176	99.859.517	35,81	175.529,1
Small Enterprise	629.418	4.535.970	9,68	452.790
Medium Enterprise	48.997	3.262.023	13,59	622.482
Big Business	4.968	3.150.645	40,92	1.033.071,9

Table 1 show the contradiction of SMEs performances in Indonesia. Indonesia SMEs gives high contribution in labor absorption in Indonesia. There is almost 75 percent of employment in Indonesia works in SMEs. It also gives enormous contribution to the country's PDB SMEs also dominates the amount of companies in Indonesia. [1]

In Minahasa regency Leilem village is one of wood industry centers as micro, small and medium enterprises as many as 66 business units with the number of labor absorbed 823 people (source: Deperindag, North Sulawesi 2012).

Generally this sector is the largest contributor to employment in most countries. This is especially relevant for new job creation. The SME sector is a major contributor to technical innovation and new product development. [2]

Globalization and technological developments lead to intense competition in developing the business that is the center of the income of the people of Leilem Village itself. Problems faced by entrepreneurs of Leilem wooden furniture include: The existence of carred products from Jepara Island Java, by the entrepreneurs from North Sulawesi itself. Entering the era of ASEAN Economic Community (MEA) increasingly competitive competition threatens the existence of Leilem wood furniture industry, since many similar products from other regions such as Java, even other countries with a more competitive price are circulating in the market.

With the increasingly tight competition, Leilem Wood Furniture Industry must have a reliable strategy to be able to compete because the competitive strategy is a strategic step planned to have competitive advantage so that it can absorb consumers, strengthen the position in the market, and survive against the pressure of competition.

To create the strategy, one of the strategies that must be held is in the form of creating the new innovations that will show the implications of marketing strategy. Innovation is a driver of competitive advantage. Innovations are about 'newness' and 'differences' in market offerings and/or market delivery and strongly supports the generic competitive advantage and strategy of 'differentiation' as in feature rich cameras and computing and telecommunication devices. However for an innovation to succeed as a competitive advantage there should be a fructification of the innovation advantage through appropriate competitive marketing strategies. [3]

## 2. Research Methods

This research was conducted for 10 months from January 2017 to October 2017 in Leilem Village of Minahasa Regency and as the object of research is developing competitive strategy model for SMEs of Leilem Wood Furniture Industry in Minahasa District with the total population of 66 business unit samples. Data collection methods used in this study are: (1) observation; (2) interviews; (3) questionnaire; and (4) documentation. The method used is case study and analysis technique used is SPACE (Strategic positioning and action evaluation), Strengthening, Weakness, Opportunity and Threat (SWOT) and QSPM (Quantitative strategic planning matrix). The variables in this study were analyzed from internal factor

evaluation (IFE) and from external factor evaluation (EFE). The variables used will be analyzed in the SWOT analysis consisting of (IFE) Strengths, Weaknesses, and (EFE) Opportunities and Threats namely:

- Strength IFE variables:  
Good prospect, business capital, product quality, working atmosphere support, technology usage.
- Weakness IFE variables:  
Lack of human resources, family management, limited capital, simple bookkeeping, limited business capital, lack of employee division of labour.
- Opportunity EFE variables:  
Community lifestyle, government program on MSME capital, market availability, raw materials enough, demand always.
- Threat EFE variables:  
Supply of similar products, low purchasing power, furniture product diversification program, product cost increases.

### 3. Results And Discussion

#### 3.1. Testing Research Instrument

Test of the questionnaire validity is seen from the correlation coefficient Pearson product moment, and the research instrument is said to be valid, if the correlation coefficient  $> 0.30$ . The reliability of the measuring instrument is seen from the coefficient value of  $\alpha$  (alpha) Cronbach, and the instrument is considered reliable if the value of Cronbach  $\alpha$  coefficient is greater than 0.6. The questionnaires were valid and reliable, because the whole questions all showed  $t\text{-count} > 0.30$  and the instrument reliability test result showed that the value of  $\alpha > 0.60$ , so that the research instrument was considered reliable to get the data in the field.

#### 3.2. SMEs Profile of Leilem Wood Furniture Industry in Minahasa Regency.

The industry sector support the economy of Minahasa Regency people, one of industry is the Leilem wood furniture. The business in Sonder district, Minahasa regency has been done by the people for generations. From 66 business units there are 823 people or 12,45 % from the total people in Sonder district. is a sector that supports the existing community economy in Minahasa Regency. Of the 66 industries taken as responded in this study can illustrate:

- The capital used is still its own capital, and there has been no capital assistance from the government. The other capital is still a loan that must be returned with high interest rate.
- Most of the product sales are still in North Sulawesi (Manado, Minahasa, Tomohon, Bitung and Bolaang Mongondow), and sales out of the region is still very low unless there is a demand from buyers.
- Future plans to expand the business of entrepreneurs are still looking for opportunities so that industry can survive and be able to reach a market that is currently a very tight competition.
- In promoting the product, some craftsmen usually promote on-line, by simple brochures and by words of mouth.

#### 3.3. Problems faced by SMEs Leilem Wood Furniture Industry in Minahasa District.

Several previous research has revealed that the main obstacles face by SMEs are information, functional, financial, human resources, technology, marketing infrastructure and the external environment, as well as support from government and business development service. Lack of management and infrastructure

experience are major obstacles to small business development, most owners has no management experience, insufficient training and skills in operating the business. The lack of management training and experience bring negative consequences and is the cause of the underdevelopment of a business entity.[4]

From the results of research that has been done, it can be described that the problems faced by wooden furniture craftsmen Leilem face competition are as follows:

- **Capital**  
The artisans deeply feel the difficulty of developing with the lack of capital, so that developing the business and increasing the income are very difficult. If the entrepreneur imposes a capital with loan capital, it is very easy for the entrepreneur to get the loan but to return it is too much because the interest on the loan is too high, so the state of the economy and the increase in the industry are very difficult.
- **Marketing for products**  
In terms of marketing, competition with the free market today is very sharp. There are many wooden furniture products on the market, among which are Jepara wood products that can be said to dominate the market today where this product is offered on the market with a relatively affordable price and show the models and designs that are quite varied.

### *3.4. Analysis of Internal Factors as Strengths and Weaknesses of SMEs Leilem Wood Furniture Industry in Minahasa Regency Facing Competition.*

Based on the initial survey that has been done on location, it can be identified that there are 20 research variables for SMEs Leilem Wood Furniture Industry in Minahasa Regency. The variables are Internal Factors of 11 variables and external factors of 9 variables. The strength factor consists of 5 (five) variables and the weakness of 6 (six) variables. While for external factor consist of 5 (five) opportunity variables and 4 (four) threat variables.

- **Internal Variable (Strength)**  
The weight and rating of the five variables of the Internal strength factor has the total score of 2.82 with an average of 0.56. The following table shows the results of the analysis of the five variables.

**Table 2.** Strength Strategic Internal Factors SMEs for Home Industry Furniture in Leilem, Minahasa Regency

No.	Strategic Factors	Weight	Rating	Score
1.	Good Prospect	0,23	2	0,46
2.	Capital	0,18	4	0,73
3.	Product Quality	0,22	4	0,88
4.	Supporting Working Atmosphere	0,18	3	0,54
5.	Technology Usage	0,17	1	0,17
Total		1.0000	14	2,82
Average			2,8	0,56

From the above table we can see the results of the eighth analysis of internal strategic strength variables, which show that the greatest strength is the variable of product quality, good prospects, as well as supporting work environment variable.

- **Internal Factors (Weakness)**  
The weight and rating of the five variables of the Internal weakness factor has a total score of - 2.88 with an average of -0.48. The following table shows the results of the analysis of the six variables.

**Table 3.** Weakness Strategic Internal Factors SMEs for Home Industry Furniture in Leilem, Minahasa Regency

No.	Strategic Factors	Weight	Rating	Score
1	Self-Supporting Business	0,21	-2	- 0,42
2	Lack of Human Resources	1,16	-3	- 0,47
3	Family Management	0,16	-4	- 0,64
4	Limited Capital	0,16	-4	- 0,64
5	Simple Bookeeping	0,16	-3	- 0,48
6	Lack of Employee Devision of Labor	0,16	-1	- 0,16
Total		1.0000	-17	-2,88
Average			-2,83	-0,58

Judging from the results of the above table, the achievement of the scores depicted shows that the variable of limited capital, simple bookkeeping, and human resources are not the biggest weakness factors.

### 3.5. Analysis of External Factors of an Opportunity and Threat for SMEs Leilem Wood Furniture Industry in Minahasa Regency.

Based on-site surveys, several identified external factor variables were included in the opportunities and threats to the Leilem wood furniture industry in Minahasa Regency.

- External Factors (Opportunities)

External factors are identified in 7 (seven) variables. The following table shows the weight, rating and score of each variable.

**Table 4.** Opportunities Strategic External Factors SMEs for Home Industry Furniture in Leilem, Minahasa Regency

No.	Strategic Factors	Weight	Rating	Score
1	Community Lifestyle	0,21	2	0,42
2	Government Program on MSME Capital	0,19	1	0,19
3	Market Availability	0,20	2	0,40
4	Sufficient Raw Material	0,20	4	0,80
5	Regular Demand	0,20	3	0,60
Total		1.0000	13	2,62
Average			2,6	0,52

Table 4 above can show that there are 5 variables of opportunities (opportunities) as an external factor. Also, the total rating is 13 and the average is 2.6. The above table shows the highest variable is the demand which is always 0.80 and sufficient raw materials of 0.60 and Society Lifestyle of 0.42. From the above results, it can be said that these variables are the most strategic opportunities for Leilem wood furniture industry in Minahasa regency.

- External Factors (Threats)

Table 5 shows that there have been as many as 4 (four) external factor variables, where the total score achieved for 4 variables is equal to -2.54 with the average of -0.63. Based on the results of the analysis of Product substitution variable is the largest variable as a threat to be able to compete in the market with the same product-type 1.05 score, followed by Production which increased by -

0.75, variable Low purchasing power variable of -00 , 51, and furniture product diversification program -0.23.

**Table 5.** External Strategic Factors (Treats) Small and Medium Scale Business Enterprise for Home Industry Furniture in Leilem, Minahasa Regency

No.	Strategic Factors	Weight	Rating	Score
1	Similar Products	0,26	- 4	- 1,05
2	Low Community Buying Power	0,25	- 2	- 0,51
3	Furniture Product Diversification Program	0,23	- 1	- 0,23
4	Cost Production Increase	0,24	- 3	- 0,75
Total		1.0000	- 10	- 2,54
Average			- 0, 25	- 0, 63

### 3.6. Strategic Positioning of SMEs Leilem Wood Furniture Industry in Minahasa Regency in facing competition

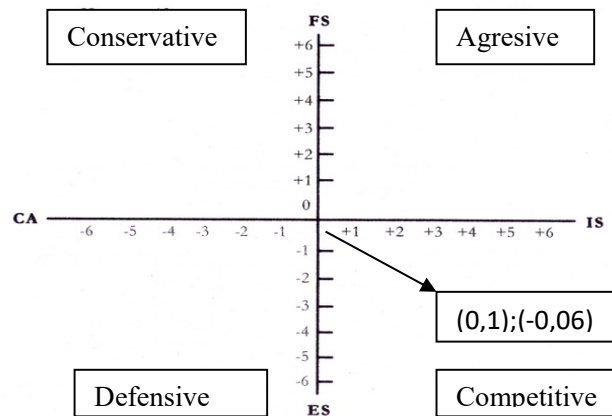
Analysis of SPACE matrix is used in determining the strategic positioning of SMEs Leilem wood furniture industry in Minahasa regency in facing intense competition today. Analysis of SPACE matrix shown with 4 quadrant that is aggressive, conservative, defensive and competitive.

Each axis of the SPACE matrix states two dimensions:

- Internal dimension consisting of financial strength (FS) and competitive advantage (CA).
- External dimensions are environmental stability (ES) and industry strength (IS)

These four factors are the most important determinants for determining the strategic position of SMEs of Leilem Wood Furniture Industry in Minahasa District in facing competition. The result of the analysis shows that the internal strategic factor as the financial strength is the variable of independent business capital then on the position of external strategic factors such as the comparative advantage of independent business, less human resources, family management, limited capital, simple bookkeeping and lack of employee division of labor.

Below is shown the strategic position of SMEs Leilem wood furniture industry in Minahasa regency in facing competition which is in the competitive position as seen in the picture below.



**Figure 1.** Strategic Positioning of SMEs Leilem Wood Furniture Industry in Minahasa Regency in Facing Competition with SWOT Analysis

The results of SPACE matrix analysis shows that the position of SMEs Leilem Wood Furniture Industry in Minahasa regency in facing competition is in the position to compete (competitive), in quadrant 4 its position. This competitive quadrant shows the state of the industry position, a strong competition but is in a slow industry growth. These companies have the power to launch diversification programs into promising and growing business areas. [5]. The companies in this position have a high cash flow rate.

Explains that the competitive advantage is the heart of marketing performance to face the competition. Competitive advantage is defined as a strategy that benefits from the company cooperated to create a more effective competitive advantage in the market. This strategy should be designed to achieve continuous competitive advantage that the company can dominate both in the marketplace and new markets. Essentially growing competitive advantage of the values or benefits is created by the company for its buyers. [6]

Figure one above base from SPACE analysis which is in table 6 below.

**Table 6.** SPACE analysis SMEs for Home Industry Furniture in Leilem, Minahasa Regency

POSITION INTERNAL STRATEGIC FACTOR FINANCIAL STRENGTH	RATING	POSITION EXTERNAL STRATEGIC FACTOR ENVIRONMENTAL STABILITY	RATING
1. Own Capital	0,73	1. Similar products on the market	-1,05
		2. Low community buying power	-0,50
		3. Product diversification program	-0,23
		4. Cost Sufficient new material	-0,75
Total	0,73		-2,54
Average	0,73		-0,63
$KU + SL = 0,73 + (-0,63) = 0.1$			
Competitive Advantage)		Industrial Strength	



1. Own Business	-0,42	1. Community Life Style	0,42
2. Lack of Human resources	-0,47	2. Government's Role in SME	0,19
3. Family management	-0,64	3. Market Availability	0,40
4. Limited Capital	-0,64	4. Sufficient Raw material	0,80
5. Simple book keeping	-0,64	5. Regular consumers demand	0,80
6. Lack of division	-0,48		
Total	-2,88		2,62
Average	-0,58		0,52
KK + KI = (-0,58) + 0,52 = - 0.06			

### 3.7. Implementation Strategy

The purpose of a SWOT analysis is to (1) identify key internal and external factors, and (2) generate feasible alternative strategies [7]. Thus, a SWOT is not useful for determining the relative importance of each internal and external factor for being successful in a given industry, nor is the SWOT useful for or capable of determining the relative attractiveness of the alternative strategies generated [8].

Strategy is making trade-offs in competing. The essence of strategy is choosing what not to do. Without trade-offs, there would be no need for choice and thus no need for strategy. Any good idea could and would be quickly imitated. Again, performance would once again depend wholly on operational effectiveness [7]. Based on SWOT analysis, it can produce 7 (seven) alternative strategies with various programs that can be implemented by SMEs of Leilem Wood Furniture Industry in Minahasa Regency namely:

**3.7.1. Strategy: Market Expansion (SO 1).** By looking at some of the strengths of the good prospects, product quality, working atmosphere support, the use of technology then the opportunity, the lifestyle of society, sufficient raw materials, regular demand then Leilem Wood Furniture Industry in Minahasa regency can increase market expansion both at level local, national and international.

Some Direct Programs to do are:

- **Product diversity / variant is improved**  
Some of the programs that must be done on the furniture Industry of Leilem Wood is Product Diversification. With the existence of this program, the business actor must have more additional product types, new models are made, not just monotonous. Example: furniture design for living room, dining table, modern rocking chair etc. If possible, furniture models should be designed not only to satisfy the tastes of housewives but should also be suitable for use by hotels, restaurants / cafes so that good quality products will be sought by consumers not only domestic but also overseas market consumers.
- **Price Diversity for the Market**  
Price is one of the key elements of the marketing mix. As in any domestic market, pricing is central in international market [9].

In terms of price, the industrial market should really pay attention to the price because it is very decisive for consumers in getting one product. Price should be more varied and certainly affordable in every market segment where, the industry should set a price that does not make the consumer to have no desire to get the product due to prices that are not in accordance with the conditions that consumers have in general.

- Cooperation with Furniture Model Designer in Creating New Products as Promotion  
It is advisable to co-operate with a wood furniture design expert or a designer of wooden furniture fashions both inside and outside the country or within the country even if possible with those from abroad. By breaking new ground breakthroughs that dare to work with fashion designers who come from overseas will be able to improve products and can create products that will be better and more variations of the model will eventually become the latest promotion for consumers of wooden furniture in general.
- Online Sales through Social Media.

Leilem Wood Craft Industry is now always in demand. This is partly due to the increasingly evolving needs of the community in which the community wishes to always complement the needs of the home, office of the business with furniture originating from the Leilem Wood Industry. Although it is still a local and national market (inter-island), but the problem now there are similar products coming from other islands (Java, Batam) so thus industry should make improvements in various things. One of the new breakthroughs that will inevitably have to be done by the business actors this industry in Leilem village in market expansion is to enlarge through On Line (through social media), where was proved effective enough to be able to penetrate the National and even International markets.

3.7.2. *Strategy: Increase Promotion (SO 2).* By using internal factors (S1,3,5) in the form of good prospect, product quality, technology use to exploit opportunity (O3,4,5) available market, sufficient raw material and demand of the existing goods, hence Leilem wooden furniture industry can do strategy with the program that is:

- Produces furniture in large quantities, i.e. by doing this program the consumer will be easier to get the product because it is not difficult to choose the desired product, and it is not time-consuming because of the many available goods. This is a way that will make it easier for consumers to get the desired product.
- Producing quality furniture products is a profitable program for the industry, because quality design for competitors will be very difficult to create products of the same quality, and therefore industry must be innovative in creating products that will be more attractive to consumers and will increase the income of the workers and the industry itself.
- Identified four dimension of strategy: innovation, marketing differentiation, focus (niche vs. related diversification), and cost leadership. These four strategic dimensions are not mutually exclusive. Firms can be high on both innovation and focus; and a broad strategy is consistent with both innovation and cost leadership [10].
- Promotion is also not monotonous, it should take a broader and more open promotional action to create a wider and better known marketing network everywhere, with any party to any institution that can be expanded, hotels, campuses, public offices, social media, print media and electronic media can be utilized to increase business, so there will be more demand of this product of course.

3.7.3. *Strategy: Improve Product Competitiveness (ST 1).* This strategy of the ST strategy explains how to utilize existing strengths within the industry to address existing threats. By looking at the strengths for internal factors in the form of a supporting working atmosphere that supports, and the use of technology (S4.5) in facing threats such as variables circulating similar products and product diversification programs (T1, 3) then what that can be done is that the industry must improve competitiveness of products by implementing programs such as:

- Increasing product type (product diversity) which is enhanced in the sense that the industry has to make improvements in terms of creating more varied products to attract the attention of consumers in meeting the needs and desires of getting the product.
- Improving product quality. In addition to multiplying the types and variations of products, the industry must consider product quality in terms of both model design and quality of raw materials and how to manufacture. This will further enhance the industry because the consumer appeal will be more and more difficult to switch to other products. Also, it will be able to maintain its business from the pressure of competition because of the design and good quality.
- Product registered.
- With the rapid development of technology, of course there are many designs that are easy to imitate and then used as a design or model of other industries. It is therefore advisable to immediately register any existing design in the industry as a patent, so that the design will be a patent of an industrial owner that cannot be used by other industries.

**3.7.4. Strategy: Price Control (ST 2).** Normally, in marketing strategy, the need to certify the pricing is very minimal especially in furniture industry which most of the price given were based on cost of raw material. Similarly, support to foreign distributors is based on manufacturers or exporters tolerance [11].

From the combination of power variables in the form of Good Prospect and Business Capital (S1.2) with threat variable in the form of increasing Production Cost (T4), then in marketing the product already produced must see the right market price by determining price control. For this price control, action programs can be done by industry with the following programs: Determining affordable price standards.

In marketing the existing furniture products, the industry must pay attention to the selling price of the product so that the product sales smoother and faster, the income increases, the company progresses and the company will keep running in its business cycle. Standard pricing should be affordable for the market, for which the industry can make products with good production techniques using available raw materials. Thus the product will be smoothly sold on the market.

The impact of pricing strategy on export performance has been validated in prior studies. Louter et al., (1991) empirical results confirmed the relationship between pricing strategy and firm performance, showing a strong positive link between pricing strategy and overall export performance [12].

**3.7.5. Strategy: Improving Business Management (WT 1).** This strategy explains how the industry is able to minimize the weaknesses that exist in the industry in facing threats.

By looking at the weaknesses of internal variables such as self-effort and simple bookkeeping (W 1.5) to avoid the threat of increased production costs (T 4), the Leilem wood furniture industry can implement strategies to improve business management with programs that can be done:

- Attend training on business management.  
Conducting entrepreneurship training, where artisans can increase knowledge and skills in terms of entrepreneurship such as in making business plans, bookkeeping management in the company so that the company's administration will become professional and successful.
- Improve HR  
Conducting training on business development in order employers and workers can find innovative ideas from the management side in running their business.

3.7.6. *Strategy: Improve the Quality of Labor. (WT 2).* With the weakness from the internal side which is the lack of labor resources with threat variables namely circulating similar products and the lack of product diversification program, to avoid all the weaknesses and threats faced by the industry, the strategy that can be applied is to improve the quality of labor with action programs that must be done ie: Attend training on furniture product design.

Extending knowledge by participating in either government or private training to increase knowledge in designing model designs and techniques for making a product, often following training will add knowledge of existing industry and workers, so that increased production costs will not discourage production if every workforce is strives to develop its resources so that creativity will be able to produce more innovative works and products so that the industry will stay ahead and grow and be able to compete with other industries.

3.7.7. *Strategy: Increase Capital (WO).* This strategy explains that it is necessary to take advantage of opportunities as best as possible to overcome any weaknesses.

**Table 7.** Matrix QSPM (Quantitative Strategic Planning Matrix) Strategic of Leilem Word Furniture Industry Minahasa Regency According to the priority scale

NO	STRATEGY	CODE	TAS
1	Market Expansion	SO 1	4,65
2	Increase Promotion	SO 2	5,52
3	Increase the Product Competitiveness	ST 1	4,56
4	Price Control	ST 2	3,44
5	Improve Business Management	WT 1	1,95
6	Improve Human Resources Quality	WT 2	1,68
7	Increase the Capital	WO	1,95

In the above table the QSPM Matrix (Quantitative Strategic Planning Matrix) Competition Strategic of Leilem Word Furniture Industry Minahasa Regency that can be done according to priority are as follows:

1. Increase promotion
2. Market expansion
3. Increase competitiveness
4. Price control
5. Increase capital
6. Improve business management
7. Improving the quality of labor

## 4. Conclusions and Suggestions

### 4.1. Conclusion

Based on results of the discussion after conducting the existing analysis, we can conclude as follows:

- Identified 20 (twenty) variables in internal factors (Internal Factor Evaluation) and external factors (External factor evaluation, where the internal factor has 11 (eleven) variables consisting of 5 (five) strength variables and 6 (six) weakness variables and 9 (nine) external factor variables consisting of 5 (five) opportunity variables and 4 (four) threat variables.
- The result of SPACE Matrix analysis shows that UMKM position of Leilem Wood Furniture Industry in Minahasa Regency in facing competition is in competitive position. In quadrant 4 shown with SPACE result number (0,1; -0,06) that is position in competitive quadrant. This shows

the state of the industry position, a strong competition but is in a slow industrial growth. These companies have the power to launch Diversification programs into promising and growing business areas.

- The results of SWOT and QSPM analysis resulted in 7 alternative strategies that can be done and with program of action program that exist in alternative strategy that can be applied by Leilem wooden furniture industry in Minahasa regency. Each of these alternative strategies are: 1) Increasing promotion, 2) Market expansion, 3) Increasing competitiveness, 4) Increasing capital, 6) Improving business management and 7) Improving the quality of labor.

#### 4.2. Suggestions

- Industrial improvement at this time is faced with the existing competition, so it is expected that the industry do programs such as: improving product diversity, product price diversity, adding business capital, improving business management, paying attention and following training both in terms of management and quality of labor, creating more products both from the quantity and type of design model, the creativity of the workforce should be developed and also the promotion should be further enhanced, not monotonous in the era of its rapid development today.
- The role of the government is highly anticipated, among others, the trade and trade offices that should be able to carry out trainings for industrial workers in Minahasa regency in making more capable, more innovative and more skilled workers in the use of more advanced technology in developing industrial enterprises and the role of government that can help add the capital because the help of capital from the government will raise the level of production for the industry.

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