

# SHEEP AGRIBUSINESS DEVELOPMENT STRATEGY (Case Study at Ibrahim Dadong Awok Farm)

Devi Kusuma Pradana\*, Hari Dwi Utami\*\*

*\*(Graduate Student, Faculty of Animal Science, Brawijaya University, Malang, Indonesia (65145)  
Email: Devikpradana@gmail.com)*

*\*\* (Lecturer at the Faculty of Animal Science, Brawijaya University, Malang, Indonesia (65145)  
Email: hrdwutami4@ub.ac.id)*

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## Abstract:

This research was conducted at Ibrahim Dadong Awok Farm. This study aims to: (1) Internal and external profiles at Ibrahim Dadong Awok Farms, (2) Evaluate the performance of Ibrahim Dadong Awok Farms from customer perceptions, (3) Priority strategies that can be carried out to develop agribusiness at Ibrahim Dadong Awok Farms. This research was conducted from February 2023 to August 2023 at Ibrahim Dadong Awok Farm. The sampling method in this study was purposive sampling based on primary and secondary data. Respondents consisted of 112 customers, one livestock owner, two livestock employees, and seven partnerships under the auspices of Ibrahim Dadong Awok Animal Husbandry. The conclusions of this study are (i) four perspectives that describe internal and external profiles, including (1) financial perspective, (2) customer perspective, (3) internal business process perspective, and (4) learning and growth perspective. (ii) The customer's perception of the performance of Ibrahim Dadong Awok Livestock indicates that the internal position is very strong, with a score of 1.456, and the external position is relatively strong, with a score of 0.653. (iii) The priority strategy that can be implemented is expanding the market and continuously seeking customers with large-scale purchases. 456 and externally relatively strong, with a score of 0.653.

**Keywords —balanced scorecard, internal and external factors, SWOT analysis, priority strategy**

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## I. INTRODUCTION

Livestock is one of the sub-sectors of agriculture that plays an important role in meeting the animal protein needs of the Indonesian people. Population growth, increasing people's income, and the development of the culinary industry, which uses processed livestock products as the main ingredient, encourage an increase in the quantity of consumption of livestock. Many opportunities are seen to stimulate business actors to invest in

livestock. Business actors are gradually increasing in line with the economy's recovery after the Covid-19 pandemic, so livestock-based business activities are also increasing.

Livestock-based economic activities are a strategic step in increasing national economic growth after the Covid-19 pandemic. Sheep are more attractive to the public for breeding because they are easy to raise (not picky about feed like goats), have short maintenance time, have a wide

market share, have relatively small business capital compared to large ruminants, their waste can be utilized as well as a by-product of agriculture and reproduce quickly (in once birth often more than one tail) (Widiarto, Widiati., and Budisatria, 2009). Based on the description above, the researcher is interested in researching the sheep development strategy at Ibrahim Dadong Awok Farm. Ibrahim Dadong Awok Farm is a sheep farm in Banyuwangi, East Java. This farm is integrated upstream to downstream, including the upstream, on-farm, and downstream subsystems.

## II MATERIAL AND METHODS

This research was carried out from February to August 2023. The research location was located at Ibrahim Dadong Awok Farm. Then the search was continued to the seven breeders under the auspices of Ibrahim Dadong Awok Farm to find out the collaboration system that was carried out. The research method used is by using descriptive qualitative and quantitative methods. The stages are as follows:

- a). Balanced scorecard analysis (1) Calculating the financial perspective score related to the company's financial statements. (2) Calculate the customer perspective score. (3) Calculating business and internal perspective scores. (4) Calculating the score of learning and growth perspective. (5) After the score of each perspective is known, the next step is to calculate the overall score/balanced scorecard from the four perspectives. (6) After the balanced scorecard score is known, the results of measuring company performance can be determined based on the score that has been calculated. (7) Conclude from the results of the study (Kaplan, Robert and David, 2000).
- b). Analysis of Internal and External Factors This analysis was conducted to determine the internal and external factors owned by Ibrahim Dadong Awok Animal Husbandry. Analysis of internal factors and external factors is carried out by observing the internal conditions of the farm (referring to all the factors that exist within the farm and are under control) as well as the external conditions of the farm (referring to all factors that

come from outside and influence the success of the farm) (Zulkarnain, 2009).

- c). SWOT analysis This analysis was conducted to analyze the strengths and weaknesses of internal factors and analyze opportunities and threats from external livestock. This SWOT analysis aims to make the most of the strengths and weaknesses that Ibrahim Dadong Awok has to minimize. Internal and external strategic factors were determined based on in-depth interviews with expert respondents. This SWOT analysis was carried out to formulate a strategy (Setyaningrum, 2015).

## III RESULTS AND DISCUSSIONS

Ibrahim Dadong Awok Farm was originally established in 2013 with a small capital of two goats. Goat trials did not go well, and they died due to a lack of knowledge about goats in terms of feed and maintenance. In 2015, they tried to get up by switching to sheep farming by borrowing KUR 100 million to rent land, build stables and buy ewe to be used as feeders. The leased land is used to plant Napier grass, which are used as animal feed for the existing sheep. Over time, there have been many requests from residents to buy Napier grass seeds. It is a new opportunity for livestock to make a profit outside of raising sheep.

### A. Characteristics of Respondents

Characteristics of customers at Ibrahim Dadong Awok Farms are limited to customers who have had transactions with Ibrahim Dadong Awok Farms in the form of buying live sheep/selling processed sheep (*aqiqah* packages). Customers are categorized based on gender, age, formal education, occupation, income, purchase frequency, and transaction experience. Customer characteristics need to be studied because they are important factors that influence customer perceptions of every perspective at Ibrahim Dadong Awok Animal Husbandry. The study of customer characteristics needs to be explained before discussing how customers perceive Ibrahim Dadong Awok Farms.

TABEL 1  
Characteristics of Respondents

Customer	Amount (Person)	Percentage (%)
<b>Gender</b>		
Man	84	75
Woman	28	25
<b>Age (Years)</b>		
17-20	2	1,8
21-30	23	20,5
31-40	73	65,2
>40	14	12,5
<b>Level of education</b>		
ELEMENTARY	3	2,7
JUNIOR HIGH SCHOOL	8	7,1
SENIOR HIGH SCHOOL	66	58,9
College	34	30,4
<b>Work</b>		
Student	1	0,9
Government employees	7	6,3
Private employees	11	9,8
Self-employed	88	78,6
<b>Income</b>		
<IDR 1,000,000.00	1	0,9
IDR 1,000,000.00 - IDR 2,000,000.00	7	6,3
IDR 2,000,000.00 – IDR 5,000,000.00	77	68,8
>IDR 5,000,000.00	27	24,1
<b>Purchase Frequency</b>		
1 – 2 times/month	1	0,9
3 - 4 times/month	2	1,8
5 times or more/month	0	0
Uncertain	108	96,4

B. Analysis of the Balanced Scorecard

In this analysis, calculations were carried out through customer perceptions of Ibrahim Dadong Awok farms which were described through four perspectives in the balanced scorecard Galib and Hidayat, 2018).

TABLE 2  
Analysis of Internal Factors and External Factors

Perspective	Score
X1 Finance	2,001
X2 Customers	2,318
X3 Internal Business Process	1,767
X4 Learning and Growth	2,,279
Amount	10,683

The table above shows that the total value obtained from the four perspectives is 10.683. The customer perspective gets the highest score, which is equal to 2.318. The financial perspective gets a value of 2.001 which can be interpreted from the customer perspective to be more developed. From the financial perspective, there is a need for an in-depth evaluation of the farm's sustainability (Moehariono,2012).

C. Analysis of Internal Factors and External Factors

Internal factor analysis is carried out by ranking the value of each indicator from a financial perspective and a customer perspective. Internal factors are prepared by sorting from the highest to the lowest indicator value. The top five indicators are mapped to strengths, and the bottom five indicators are mapped to weaknesses (Zakial, Asri, Aulia, 2022). The table below shows that the total value for strength is 2.751, and the total value for weakness is 1.295.

TABLE 3  
Internal Factor Analysis

Main Internal Factors	score
<b>Strength</b>	
X4.2 Employee Capabilities	0.691
X4.3 Ability to Manage Information	0.691
X3.3 After Sales Service	0.527
X3.1 Innovation	0.426
X3.2 Operation Process	0.416
	<b>2,751</b>
<b>Weakness</b>	
X4.5 Employee Satisfaction	0.400
X4.4 Motivation	0.344
X3.5 Cooperation	0.214
X3.4 Market Research	0.184
X4.1 Employee Retention	0.153
	<b>1,295</b>

External factor analysis was carried out by ranking the values of each indicator from the internal business process perspective and learning and growth perspective. External factors are prepared by using the highest indicator value to the lowest. The top five indicators are mapped as opportunities, and the bottom five indicators are mapped as threats (Rondonuwu, 2013). The table below shows that the total value for opportunities is 2.906, and the total value for threats is 1.443.

TABLE 4  
 External Factor Analysis

Main External Factors	Score
<b>Opportunity</b>	
X2.2 Customer retention	0.701
X2.4 Customer needs	0.681
X1.2 R/C	0.663
X1.3 Operating ratio	0.452
X2.3 Customer profitability	0.409
	<b>2,906</b>
<b>Threat</b>	
X2.5 Customer satisfaction	0.407
X1.5 Return on Equity	0.401
X1.4 Return on Assets	0.371
X1.1 Liquidity	0.144
X2.1 Customer acquisition	0.120
	<b>1,443</b>

The diagram below shows that the calculation results are included in quadrant one, which means it supports an aggressive strategy. It indicates that the results obtained from calculating internal and external factors get a positive value (Rangkuti, 2008). Value is obtained from reducing strengths minus weaknesses and reducing opportunities and threats (Surya,2010).

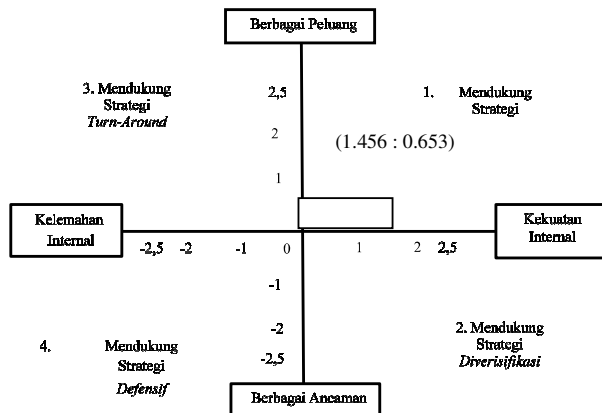


FIGURE 1. . External and Internal Factor Analysis

#### IV CONCLUSION

Four perspectives describing internal and external profiles include financial, customer, internal business process, and learning and growth perspectives. The internal position is very strong, with a score of 1.456, and the external position is relatively strong, with a score of 0.653. Priority strategies that can be carried out are expanding the market and looking for customers with large-scale continuous purchases.

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