

Village-Owned Enterprises (BUMDes) Strategies to Increase Village Original Income

Andi Sutoyo¹, Hario Tamtomo², Endah Tri Kurniasih³

^{1,2,3}Universitas Muhammadiyah Jambi, Kota Jambi, Jambi

andismith922@gmail.com¹, h4rio.35@gmail.com², endah.trikurniasih@gmail.com³

Article Info

Article history:

Received July 2, 2025

Revised July 13, 2025

Accepted July 28, 2025

Keywords:

Village-Owned Enterprises (BUMDes), Village Original Income, Management Strategy, SWOT, Village Economic Development

ABSTRACT

Law Number 23 of 2014 strengthens village autonomy by granting independent authority in managing village government and income. Mekar Sari Village-Owned Enterprises (BUMDes) was established as one of the village government's strategies to increase Village Original Income (PADes). This study discusses the management strategy of Mekar Sari BUMDes through a managerial strategy approach and SWOT analysis. The approach used is descriptive qualitative, through observation, interview, and documentary data collection methods. The results show that BUMDes has potential in the trade and services sector and is supported by village regulations, but still faces obstacles such as limited storage facilities and minimal promotional activities, and recording of strategies. Based on the SWOT analysis, the main strengths lie in budget support and strategic locations, while weaknesses and threats arise from business competition and limitations in market price stability. Adaptive strategy recommendations include optimizing budget use, developing more solid partnerships, increasing human resource capacity, and more intensive use of technology. The implementation of appropriate implementation strategies is expected to strengthen the village economy independently and encourage a sustainable increase in Village Original Income (PADes).

This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.



Corresponding Author:

Andi Sutoyo

Universitas Muhammadiyah Jambi, Kota Jambi, Jambi

Email: andismith922@gmail.com

1. Introduction

Law Number 23 of 2014, which replaced Law Number 32 of 2004, brought changes to the government system in Indonesia, from a previously centralized system to a system that prioritizes decentralization. The autonomy system emphasizes that not only provincial and district/city governments have independent authority, but villages also obtain similar rights in the administration of government, but villages also obtain rights [1]. Villages, as autonomous government units, are required to provide financial resources independently to support the implementation of their government duties, known as Village Income [2]. Strategies that can be implemented by the government in order to facilitate the acquisition of village income sources are listed in Law Number 23 of 2014, which recommends that the Village Government establish a Village-Owned Enterprise (BUMDes) [3]. BUMDes Mekar Sari is a village-owned business institution located in Mekar Sari Village, Muaro Jambi Regency. BUMDes has a role as a means of managing village economic activities and as a driver of community involvement in improving the local economy [4]. The establishment of the Mekar Sari Village-Owned Enterprise (BUMDes) is based on village regulations aimed at strengthening the village's economic structure through the establishment of village-owned enterprises. Its establishment, which took place on December 14, 2017, established BUMDes Mekar Sari as a legal entity, which was then strengthened through legal reforms through Village Regulation Number 3 of 2021 concerning the establishment of BUMDes Mekar Sari. The main objectives of establishing this BUMDes are to realize economic independence for village

communities, encourage the growth of creative, productive economic enterprises, and increase Village Original Income (PADes) [5].

Tabel 1. Mekar Sari Village-Owned Enterprises (BUMdes)

Type of business	Description
Goods and services sector	- Blower Set Rental
Trade Sector	- Traditional dance rental services

Source: Mekar Sari Village-Owned Enterprise Data

After four years of existence, BUMDes only began contributing income to the village in 2021. In the previous three years, BUMDes experienced consecutive losses. However, in 2021, BUMDes managed to record an increase in income compared to the previous year, with a total income of IDR 62,171,458.51. Business activities carried out by BUMDes also contributed to increasing Village Original Income (PADes) [6]. However, in implementing its business units, BUMDes still faces a number of obstacles and problems, including:

1. Village-Owned Enterprises (BUMDes) face challenges in obtaining suppliers who offer competitive prices.
2. Promotional and outreach activities are still very minimal.
3. There are inadequate warehouse facilities to support goods storage.
4. The public still uses manual payment methods for waste management services, without the support of digital technology.
5. There is a lack of collaboration or partnerships within BUMDes.
6. Recording waste payment data is still done manually by retyping receipts, which takes a significant amount of time.

In this study, the author uses the Strategic Management theory developed by Wheelen and Hunger (2012), which consists of four main components, namely environmental analysis, strategy formulation, strategy implementation, and evaluation and control. The author also strengthens the analysis by applying the SWOT method according to Freddy Ranguti (2006), which includes four main elements: strengths, weaknesses, opportunities, and threats [6]. Based on the description in the background section, the author is motivated to study the strategy implemented by BUMDes Mekar Sari located in Mekar Sari Village, Muaro Jambi District, Jambi City, in order to increase Village Original Income (PADes). This interest arose because various problems were still found that became obstacles in the implementation of BUMDes business programs, both in the trade and service sectors. Thus, the author determined the research title: "BUMDes Strategy in Efforts to Increase Village Original Income."

2. Method

At this stage, the researcher uses qualitative descriptive research stages with the aim of being able to explain and understand an event in depth and detail.

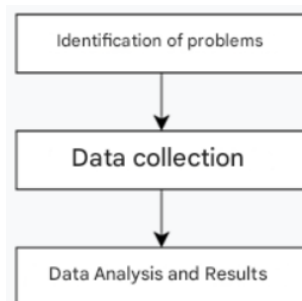


Figure 1. Research Stages

2.1. Problem Identification

As an implementation of Law Number 23 of 2014, the establishment of BUMDes Mekar Sari is one of the village's strategies in an effort to optimize Village Original Income (PADes). However, since the beginning of its operation, this BUMDes has faced a number of challenges, including instability in financial aspects,

Village-Owned Enterprises (BUMdes) Strategies to Increase Village Original Income... (Andi Sutoyo)

minimal promotional activities, limited business support facilities, the use of a recording system that is still With a system that is still manual and less than optimal digital integration and business partnerships, BUMDes management is considered not fully efficient. Therefore, an in-depth evaluation is needed to strengthen economic independence at the village level [7].

2.2. Data Collection

In this study, data was collected using several techniques, namely:

a. Observation

The researcher conducted direct observations of the operational activities of the Mekar Sari Village-Owned Enterprise (BUMDes), including the type of business operated, the condition of facilities and infrastructure, the recording system, and the level of community participation in the services provided [8].

b. Interviews

Interviews were conducted directly with BUMDes administrators, village officials, and the community to obtain in-depth information regarding management strategies, obstacles faced, and efforts to increase Village-Owned Enterprise (PADes) [9].

c. Documentation

Supporting data was obtained through various official documents, including BUMDes financial reports, village regulations, organizational structure charts, and business information recorded in the BUMDes Mekar Sari archives.

2.3. Data Analysis and Research Results

Internally, Mekar Sari Village-Owned Enterprise (BUMDes) has strengths in the form of village regulatory support and an active community, but also has weaknesses such as a lack of warehouse facilities, promotion, and a manual recording system. Externally, there are opportunities that can be exploited, such as the community's need for village services and the potential for collaboration with various institutions. However, BUMDes still faces several challenges, such as increasing business competition and limited access to innovation and technological developments. In terms of performance, BUMDes recorded losses during the first three years since its establishment. Its contribution to Village Original Income (PADes) only began to appear in 2021, marked by revenue of IDR 62,171,458.51 [10]. These findings indicate positive developments in strategy implementation and performance achievement, although results still need to be improved.

3. Results and Discussion

3.1. Environmental Analysis

Internal factor evaluation was conducted by reviewing the strengths and limitations of the Village-Owned Enterprise (BUMDes), the existence of programs operating in the trade and services sector, the availability of supporting facilities and infrastructure, and the strategic location of the business [11]. Some weaknesses encountered include difficulty in obtaining suppliers, the lack of storage facilities, and the lack of public outreach and promotion efforts regarding the existence and programs being implemented. External analysis focused on identifying opportunities that can be maximized and potential threats that need to be anticipated. Mekar Sari BUMDes has various opportunities that can be maximized to increase Village Original Income (PADes), including the potential to expand partnership networks, develop business units in the service sector, utilize increasingly advanced technology, and establish businesses in locations with high economic potential. Obstacles faced include the emergence of competitors with similar business fields, a negative stigma among the community that can weaken support for BUMDes activities, and price instability.

3.2. Strategy Formulation

In formulating its strategy, the Mekar Sari Village-Owned Enterprise (BUMDes) has established a vision and goals. However, the implementation of this strategy has not yet been optimal because the BUMDes is still in the development and adjustment process [12]. Some of the strategies being pursued include:

1. Developing and expanding the range of business activities, particularly in trade and services.
2. Establishing partnerships with parties with the potential to support business development.
3. Participating in various training programs to strengthen managerial capacity and improve organizational performance.
4. Conducting promotional activities through social media as a means of information and marketing.

3.3. Strategy Implementation

The Mekar Sari Village-Owned Enterprise (BUMDes) operates two main businesses: trade, goods, and services. Activities in the trade sector are directed at selling food products, while those in the service sector include providing rental services. All of these business activities are designed to support the achievement of

one of the BUMDes' main objectives, namely increasing Village Original Income (PADes) [13]. In the first semester, evaluations focused on providing recommendations and input regarding programs that were running optimally and those that were not, while in the second semester, an assessment of the annual performance report was conducted [14].

3.4. Evaluation and Control

The performance assessment of the Mekar Sari BUMDes is carried out by a three-person supervisory team, with tasks divided according to their respective areas: planning, implementation, and financial management [15]. This evaluation process is carried out routinely every six months. In the first semester, evaluations focused on providing recommendations and input regarding programs that were running optimally and those that were not, while in the second semester, a review of the annual report regarding the BUMDes' performance over the course of its implementation year was conducted..

3.4.1. SWOT Analysis

a. Strengths

1. Availability of budget support from the village government to support the development of various BUMDes Mekar Sari programs.
2. Has business units in the trade and services sectors as a source of village income.
3. Operational businesses are supported by the availability of adequate facilities and equipment.
4. Located in a strategic area, which facilitates the distribution of goods and services and increases the potential for market share expansion.

b. Weaknesses

1. Obstacles exist in obtaining suppliers of goods at affordable prices to support business activities in the trade sector.
2. Adequate warehouse facilities are not yet available to optimally store and manage inventory.
3. Low utilization of digital technology in promoting and disseminating information about BUMDes programs.

c. Opportunities

1. Establishment of collaborations with various strategic parties from various fields.
2. Opportunities exist for the development and creation of new business units, particularly those operating in the service sector.
3. Potential for partnerships with key actors from across sectors.

d. Threats

1. The presence of other businesses with similar businesses could reduce competitiveness.
2. Market price fluctuations could impact the stability of business revenue.
3. Negative public opinion could potentially weaken support for the continued operation of Village-Owned Enterprises (BUMDes).

3.4.2. SWOT Analysis Matrix

a. Strategy (Strength-Opportunity / S-O):

1. Maximize the utilization of village budgets by expanding collaboration with relevant parties.
2. Develop and refine existing business programs and design new business units to boost Village Original Income (PADes).
3. Increase the use of facilities and infrastructure, especially technology, to support effective business promotion.

b. Strategy (Weakness-Opportunities / W-O)

1. Strengthening collaboration with strategic partners is one step in improving market analysis capabilities to address weaknesses and find suitable suppliers.
2. Construction of warehouse facilities is carried out as part of efforts to support the expansion and development of BUMDes business units.
3. Promotion and outreach efforts are enhanced by utilizing technological developments. Capacity building in this regard can be achieved through training in the use of information technology and optimizing social media as a communication tool.

c. Strategy (ST)

1. Maximizing village funds within the Village-Owned Enterprise (BUMDes) program is a strategy to strengthen competitive position with other business actors, through appropriate adjustments to market dynamics and a comprehensive understanding.
2. Increasing the effectiveness of business unit management, particularly in the trade sector, to anticipate market price fluctuations.
3. Improving the quality of facilities and infrastructure to strengthen public trust in the sustainability and credibility of the BUMDes.

d. WT Strategy

1. To address potential business competition, an analysis of suppliers offering good quality at affordable prices is conducted.
2. The construction of storage facilities, such as warehouses, is also a focus to support increased customer satisfaction.
3. Strengthening public trust in the existence of the BUMDes is carried out by intensifying promotional and outreach activities.

Based on the analysis results, the combination of strengths, weaknesses, opportunities, and threats in efforts to increase Village Original Income in Padangsembian Kaja Village, resulted in four alternative priority strategies consisting of SO (Strength-Opportunity) strategy, WO (Weakness-Opportunity) strategy, and other strategies aimed at increasing public trust in BUMDes and anticipating fluctuations in goods prices

1. SO Strategy

To optimize budget utilization, steps can be taken to strengthen collaboration with various relevant agencies. Finally, synergy with the waste management sector can also be pursued to optimize the utilization of waste collection and processing proceeds.

2. WO Strategy

This strategy can be realized through implementing massive promotional campaigns and increasing sales through various channels. One form of collaboration that can be developed is with MSMEs in Mekar Sari Village. The Village-Owned Enterprise (BUMDes) also has the opportunity to partner with banking institutions to establish savings and loan units, which aim to provide easier access to financing for the community to start or expand their businesses, whether within the micro, small, or medium enterprise (MSME) sector. This strategy can be implemented through more intensive promotions, compiling BUMDes Mekar Sari customer data to support increased sales, and expanding the BUMDes' social media audience by increasing the number of followers. Maximizing budget utilization through the BUMDes program aims to be competitive with other businesses by first understanding market needs in depth. Optimal budget management is a crucial strategy in facing competition, as increased funding availability opens up opportunities to develop various types of businesses and offer a wider variety of products to the public.

3. ST Strategy

Maximizing budget utilization through the Village-Owned Enterprise (BUMDes) program aims to compete with other businesses by first understanding market needs in depth. Optimal budget management is a crucial strategy in facing competition, as increased funding availability opens up opportunities to develop various types of businesses and offer a wider variety of products to the public.

4. WT Strategy

In an effort to encourage increased Village Original Income (PAD), the Mekar Sari Village-Owned Enterprise (BUMDes) reviewed its implemented management strategies. Overall, the review results indicated that the BUMDes' performance was quite positive. One key finding revealed that the utilization of environmental potential was still suboptimal, particularly in identifying and developing business opportunities that could boost village income. Although the BUMDes was actively involved in strategy formulation, aligning policies with internal capacity remained a challenge. One obstacle to strategy development was limited resources, which prevented the designed strategy from reflecting the overall situation of the organization. As an illustration, in its plan to develop a business unit in the large-scale trade sector, the Village-Owned Enterprise (BUMDes) still faces a shortage of supporting facilities, such as storage facilities, which are crucial for operational support. The implemented strategy also faces obstacles, particularly in terms of promotion and dissemination of information related to business activities, which has the potential to hinder efforts to maximize village revenue.

4. Conclusion

In an effort to encourage increased Village Original Income (PAD), Mekar Sari Village-Owned Enterprise (BUMDes) reviewed its management strategies. Overall, the review results indicated that BUMDes' performance was quite positive, although several areas still require improvement. One key finding was the suboptimal utilization of environmental factors, particularly in identifying and managing business opportunities that could drive village income growth. In formulating and developing strategies, BUMDes and BUMDes faced difficulties in aligning strategic policy direction with their internal potential and capacity. One obstacle in formulating strategies was limited resources, which meant that the strategies designed were unable to fully reflect the actual state of the organization. As an illustration, in plans to develop business units in the large-scale trade sector, BUMDes still faced a lack of supporting facilities such as storage warehouses, which are essential to support operations. Strategy implementation also encountered obstacles, particularly in terms of promotion and dissemination of information related to business activities, which had the potential to hinder the optimization of village income increases.

REFERENCES

- [1] Muhammad Rafi Akbar Nasuha, Afrizal Afrizal, and Kustiawan Kustiawan, "Strategi Pemerintah Desa dalam Meningkatkan Pendapatan Asli Desa (PADes) Desa Tanjung Harapan Kecamatan Singkep Kabupaten Lingga 2023," *Pop. J. Penelit. Mhs.*, vol. 3, no. 3, pp. 153–167, 2024, doi: 10.58192/populer.v3i3.2438.
- [2] N. Wijaya, "Strategi Pengelolaan Badan Usaha Milik Desa (BUMDES) dalam Meningkatkan Pendapatan Asli Desa (Studi Kasus: Desa Bojonggede Kecamatan Bojonggede Kabupaten Bogor)," *J. Wahana Bina Pemerintah*, vol. 10, no. 1, pp. 2477–4707, 2023.
- [3] A. Latib Satar and B. Al Fariqi, "Efektivitas Bumdes dalam Pemberdayaan Ekonomi Masyarakat Desa," *J. Paradig. Madani*, vol. 8, no. 2, pp. 15–21, 2022, doi: 10.56013/jpm.v8i2.1127.
- [4] E. L. Supardi and G. S. Budiwijaksono, "Strategi Pengelolaan Badan Usaha Milik Desa (BUMDes) Dalam Upaya Meningkatkan Pendapatan Asli Desa Di Desa Bungurasih," *JEMMA (Journal Econ. Manag. Accounting)*, vol. 4, no. 2, p. 139, 2021, doi: 10.35914/jemma.v4i2.733.
- [5] W. S. Annisa and Indah Nur Tristiani, "Inovasi Pemerintah Desa Dalam Meningkatkan Pendapatan Asli Desa (Studi Pada Desa Sukowidi Kecamatan Panekan)," *J. Sos. Hum.*, vol. 1, no. 2, pp. 230–244, 2024, doi: 10.70214/bv003d30.
- [6] L. Lestari and L. E. Tripalupi, "Analisis SWOT Potensi dan Daya Tarik Wisata Osing Kemiren Dalam Rangka Pengembangan Desa Adat Osing Kemiren Kecamatan Glagah Kabupaten Banyuwangi Tahun 2021," *J. Pendidik. Ekon. Undiksha*, vol. 13, no. 2, p. 328, 2021, doi: 10.23887/jjpe.v13i2.35511.
- [7] S. P. Collins *et al.*, "TATA KELOLA BADAN USAHA MILIK DESA (BUMDes) DALAM MENINGKATKAN PENDAPATAN ASLI DESA (PADes) Moh.," vol. 3, 2021.
- [8] K. Kurniawansyah, N. Marthiawati, H. Rohayani, and Novitasari, "Analisis Kinerja Tata Kelola Teknologi Informasi pada Bank Menggunakan Framework Cobit 2019," *Bull. Comput. Sci. Res.*, vol. 4, no. 1, pp. 112–120, 2023, doi: 10.47065/bulletincsr.v4i1.320.
- [9] H. Haryanto, H. Abijono, and A. Kristianto, "Analisis Algoritma Fuzzy untuk Menentukan Prioritas Penerima Bantuan Dana Siswa Miskin," *Go Infotech J. Ilm. STMIK AUB*, vol. 30, no. 2, pp. 211–228, 2024, doi: 10.36309/goi.v30i2.309.
- [10] A. Wijoyo, A. Imanda, Y. Yusuarsono, and B. A. C. Kader, "Strategi Peningkatan Pendapatan Asli Desa (PADes) (Studi Pada Desa Sukarami Kecamatan Taba Penanjung Kabupaten Bengkulu Tengah)," *Prof. J. Komun. dan Adm. Publik*, vol. 11, no. 1, pp. 389–398, 2024, doi: 10.37676/professional.v11i1.6321.
- [11] Safaruddin, M. Abdullah, and A. Fikriyah, "ANALISIS FAKTOR PENYEBAB KREDIT MACET DALAM PENGELOLAAN PINJAMAN BADAN USAHA MILIK DESA (BUMDes) DESA WOWA ANDAROA KECAMATAN SAMPARA KABUPATEN KONAWA," *J. Akunt. dan Keuang.*, vol. 9, no. 2, pp. 408–415, 2024, doi: 10.33772/jakuho.v9i2.195.
- [12] N. K. T. Agustini, I. D. A. P. Wirantari, and I. P. D. Yudartha, "Strategi Badan Usaha Milik Desa (Bumdes) Bhuwana Sari Jaya Dalam Meningkatkan Pendapatan Asli Desa Di Desa Denpasar Barat, Kota Denpasar," *Citiz. Chart. J. Adm. Publik*, vol. 2, no. 2, pp. 123–129, 2022.
- [13] D. Bumdes *et al.*, "Implementasi Strategi Pengelolaan Badan Usaha Milik," vol. 4, pp. 94–104, 2024.
- [14] Nur Cisan Imran Kurman, Dody Setyawan, and Noora Fithriana, "Artikel Strategi Pemerintah Desa Dalam Meningkatkan Pendapatan Asli Desa," *JISIP J. Ilmu Sos. dan Ilmu Polit.*, vol. 10, no. 3, p. hal. 232-237, 2021.
- [15] A. T. Khumaira, "Evaluasi Pengendalian Internal Sistem Informasi Akuntansi Atas," *Proaksi*, vol. 8, no. 1, pp. 298–302, 2021.