

ABSTRACT

The purpose of this research is to identify the general characteristics of Micro and Small Medium Enterprises (MSMEs) based on internal and external conditions and determine the development strategy used by MSMEs.

This research uses descriptive qualitative-quantitative. The data is taken by survey, interview and questionnaire. The sampling in this research uses purposive sampling technique with 50 samples, then analyzed by regression test and SWOT analysis.

Figures Adjusted R square of 0.613 shows that 61,3 percent of the variation can be explained by the seven independent variables in the equation regression. While the other 38,7 percent is explained by other variables outside of the seven variables used in this study.

External and internal analysis seen from the aspects of human resources, finance, production, marketing, government, related and support industries, and business environment. Based on the SWOT analysis diagram, it is known that MSMEs are in quadrant I, where the situation is very profitable. In this quadrant, SMEs have the opportunity and power so that they can take advantage of opportunities. The strategy to be implemented under these conditions is to support an aggressive growth policy (Growth Oriented Strategy).

Keywords: *development strategy, SWOT analysis, MSMEs*