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# DIGITAL VILLAGE (SMART VILLAGE) DEVELOPMENT STRATEGY TO REDUCE RURAL-URBAN ECONOMIC INEQUALITY: A SWOT-AHP ANALYSIS IN BLITAR VILLAGE, MADUKARA SUBDISTRICT, BANJARNEGARA

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**Abstract**

The rural-urban economic disparity highlights the need for a Smart Village transformation led by local institutions. This study aims to formulate a development strategy for the Blitar Village Business Partner (BUMDes), Banjarnegara Regency, to support the Smart Village concept in its layer chicken business unit. It employs a mixed-methods approach using SWOT analysis and the Analytic Hierarchy Process (AHP). The results of the Internal Factor Evaluation (IFE) analysis show that the BUMDes' dominant strengths lie in capital support and village regulations (score of 3.99). However, these are constrained by weaknesses in human resources and marketing (score of 1.47). The External Factor Evaluation (EFE) analysis noted a very high market opportunity (score of 4.01) alongside moderate threats from feed price fluctuations and livestock diseases (score of 1.98). The AHP calculation yielded three high-priority strategic pillars (range 25.5%–25.8%): Strengths-Threats (ST), Weaknesses-Opportunities (WO), and Strengths-Opportunities (SO). The study concluded that strategy execution must be carried out simultaneously through capital strengthening, mitigation of feed and disease risks, and acceleration of digital marketing to reduce economic inequality.

**Keywords: Village-Owned Enterprises (BUMDes), Smart Village, SWOT-AHP, Economic Inequality, Local Economy**

## INTRODUCTION

Development and economic disparities among regions within a country can be caused by varying rates of economic growth, which lead to differences in welfare levels among regions—and this is no exception for regions in Indonesia (Pratiwi, 2021).

Village development is now one of the priorities and items on the national development agenda, as stipulated in Law No. 6 of 2014 on Villages (Undang-Undang No 6, 2014). Villages now have broad authority to manage village funds to improve facilities, promote local diversity, and preserve local wisdom through primary village commodities such as agricultural, plantation, and livestock products, which still have low added value and long supply chains (Susilowati et al., 2024). Other factors hindering the progress of the rural economy include the technological dimension and the human resources dimension (Nurrahman, 2022).

Banjarnegara Regency exhibits this disparity, which is centered on differences in the level of community well-being between the city center and rural areas (BPS Kabupaten Banjarnegara, 2023a). main drivers of the relatively high rates of poverty and rural income inequality in the region. Therefore, communities need to adapt to economic developments marked by the Fourth Industrial Revolution, which is currently unfolding through digital transformation, information technology,

and communications. In terms of technology, internet usage currently stands at 55 percent, with 60 percent of the population accessing the internet via smartphones. This indicates that the community is technologically literate, meaning that the presence of Information and Communication Technology (ICT) in the community can boost regional economic productivity (Sujadi et al., 2023).

Blitar Village, Madukara Subdistrict, has a highly promising institutional economic asset: BUMDes Mitra Usaha. As a village economic institution, BUMDes Mitra Usaha plays a strategic role in consolidating the residents' key commodities (agriculture, livestock, and local MSMEs) The existence of BUMDes Mitra Usaha makes it an ideal candidate to be integrated as a digital hub that bridges commercial transactions between the residents of Blitar Village and the digital ecosystem of external markets. The utilization of the Smart Village such as the integration of e-commerce systems, digital financial services (fintech), and integrated marketing platforms under the auspices of BUMDes Mitra Usaha is expected to cut out intermediaries and expand the market reach of local products.

In Blitar Village, Madukara Subdistrict, the implementation of the Smart Village initiative through the BUMDes Mitra Usaha has faced several real challenges, including ICT infrastructure issues and geographical factors specifically, the hilly topography of the Madukara area, which often causes fluctuations in internet connectivity, hindering the real-time operations of the BUMDes' digital platform (Hadiyat, 2014); Limitations in the human resources capacity and digital literacy of both the management of BUMDes Mitra Usaha and its partner MSME operators have resulted in the use of information technology being limited to basic communication tools; it has not yet been optimized for market data processing. Therefore, there is a need for continuous capacity building, strategic digital marketing planning, and collaboration among stakeholders to enhance the role of BUMDes in the digital era and move toward the implementation of a smart village (Yuliastuti et al., 2025).

In previous studies, research on Smart Villages has focused qualitatively and descriptively on the technical evaluation of applications or aspects of village government administration alone. There remains a severe lack of research that formulates comprehensive strategies for Smart Village-based economic development that quantitatively assess the role of BUMDes in specific locations, such as Blitar Village, Madukara Subdistrict. To generate precise policy recommendations, this study integrates a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis with the Analytic Hierarchy Process (AHP). The SWOT analysis serves to identify internal conditions (the potential strengths and weaknesses of BUMDes Mitra Usaha) as well as external conditions (opportunities and threats). Meanwhile, the Analytic Hierarchy Process (AHP) method, developed by Saaty in 1970 (Sihombing et al., 2024:1), is used to address the qualitative limitations of SWOT by quantifying the weightings and mathematically determining the hierarchy of strategic priorities based on assessments by stakeholders (such as the management of BUMDes Mitra Usaha, the Blitar Village Government, academics, and MSME representatives). Through this SWOT-AHP approach, the study will produce an accurate, structured, and actionable strategic formulation document for a Smart Village based on BUMDes Mitra Usaha to reduce rural-urban economic disparities in Banjarnegara Regency.

## RESEARCH METHODS

This study employs a mixed-methods approach that sequentially combines qualitative and quantitative methods (Sugiyono, 2023:40). A qualitative approach was used to identify internal factors (Strengths and Weaknesses) and external factors (Opportunities and Threats) in the implementation of the Digital Village program in Blitar Village through descriptive analysis. A quantitative approach was used to weight and prioritize strategies in a structured manner using the Analytic Hierarchy Process (AHP) algorithm (Sihombing et al., 2024:15).

This study was conducted in Blitar Village, Madukara Subdistrict, Banjarnegara Regency, Central Java. The location was selected through purposive sampling, based on the consideration that Blitar Village has a central economic unit the BUMDes Mitra Usaha and local MSMEs that are transitioning toward a digital ecosystem but are still hampered by limitations in infrastructure, human resources, and ICT literacy in the hilly region of Madukara.

The data used in this study consist of primary data—data obtained directly from the field through observation, in-depth interviews, and the completion of pairwise comparison matrix questionnaires by experts and key informants. Secondary data consists of supporting data obtained from official documents from the Banjarnegara Regency Central Statistics Agency (BPS), the Blitar Village profile, the financial and performance reports of the Mitra Usaha Village-Owned Enterprise (BUMDes), and previous scientific literature. The selection of experts for the AHP analysis did not rely on random sampling to represent the population size but instead focused on the depth of their expertise (expert judgment) (Sihombing et al., 2024:50). The method used was purposive sampling. The expert respondents selected for this study consisted of key stakeholders, namely village officials, the director and board members of the Village-Owned Enterprise (BUMDes), farmer representatives, the Banjarnegara Regency Office of Community and Village Empowerment (DPMD), and experts in development economics.

The data collection techniques used in this study included: structured and in-depth interviews (used in the initial stage to identify internal (IFE) and external (EFE) indicators); AHP matrix questionnaires (used to assess the relative importance of SWOT elements using the Saaty scale (1 to 9); and a literature review (collecting data from village monographs, Regional Gross Domestic Product (PDRB) figures, and reports from partner village-owned enterprises (BUMDes).

## RESULTS AND DISCUSSION

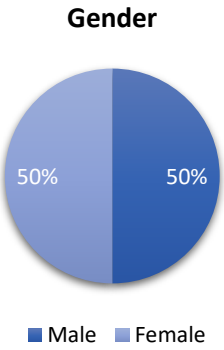



Figure 1. Distribution of Respondents by Gender

The data obtained from interviews and the questionnaire survey indicate that, in terms of gender, 50 percent of the respondents were male and 50 percent were female. This composition shows that the respondents in this study came from both gender groups in balanced proportions.

Based on the questionnaire results, the respondents held various positions and were from various agencies related to the management of BUMDes and village administration. The respondents included BUMDes directors, BUMDes secretaries, treasurers, managers of savings and loan units, village secretaries, finance officers, planning officers, welfare section heads, livestock division heads, and village workers. The involvement of respondents from these various positions demonstrates the diversity of professional backgrounds among staff from BUMDes and the Blitar Village Government.

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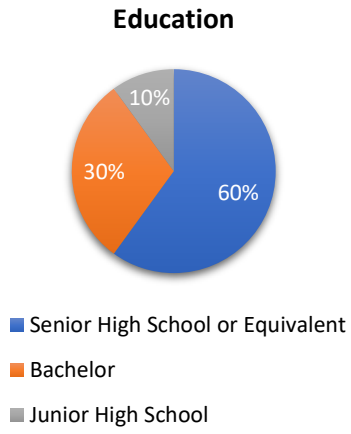



Figure 2. Distribution of Respondents by Education Level

Based on the diagram above, the characteristics of the respondents by highest level of education show that, out of 10 respondents, the majority (60 percent) have a high school or equivalent education, 30 percent hold a bachelor's degree, and only 10 percent have a junior high school education. This situation indicates that the respondents' educational backgrounds are still dominated by high school graduates, reflecting a shortage of experts in managing village-owned enterprises (BUMDes). The number of respondents with a bachelor's degree is still smaller compared to those with a high school education, so there is a need to increase the number of human resources with higher education and specialized skills, particularly in managing and developing businesses.

Table 1. Distribution of Respondents by Length of Service

| No. | Length of Service | Frequency (People) |
|---|---|---|
| 1 | < 1 year | 1 |
| 2 | 1 – 5 years | 2 |
| 3 | 6 – 10 years | 5 |
| 4 | 11–15 years | 2 |
| **Total** | | **10** |

respondents, the majority 5 people have served for 6–10 years; 2 respondents have served for 1–5 years; and 2 respondents have served for 11–15 years. Meanwhile, respondents with less than 1 year in office were the smallest group, consisting of just 1 person. These results indicate that the majority of respondents have considerable experience carrying out their duties and responsibilities within BUMDes and village government.

Based on the results of data collection and analysis through the distribution of questionnaires to BUMDes managers and village officials, strategic factors influencing the development of BUMDes businesses in Blitar Village were identified. A SWOT analysis was used to identify internal conditions, including strengths and weaknesses, as well as external conditions, including opportunities and threats. The identification of these factors served as the basis for gaining a comprehensive understanding of the BUMDes and analyzing strategies aligned with the potential and challenges faced in the development of the egg farming business.

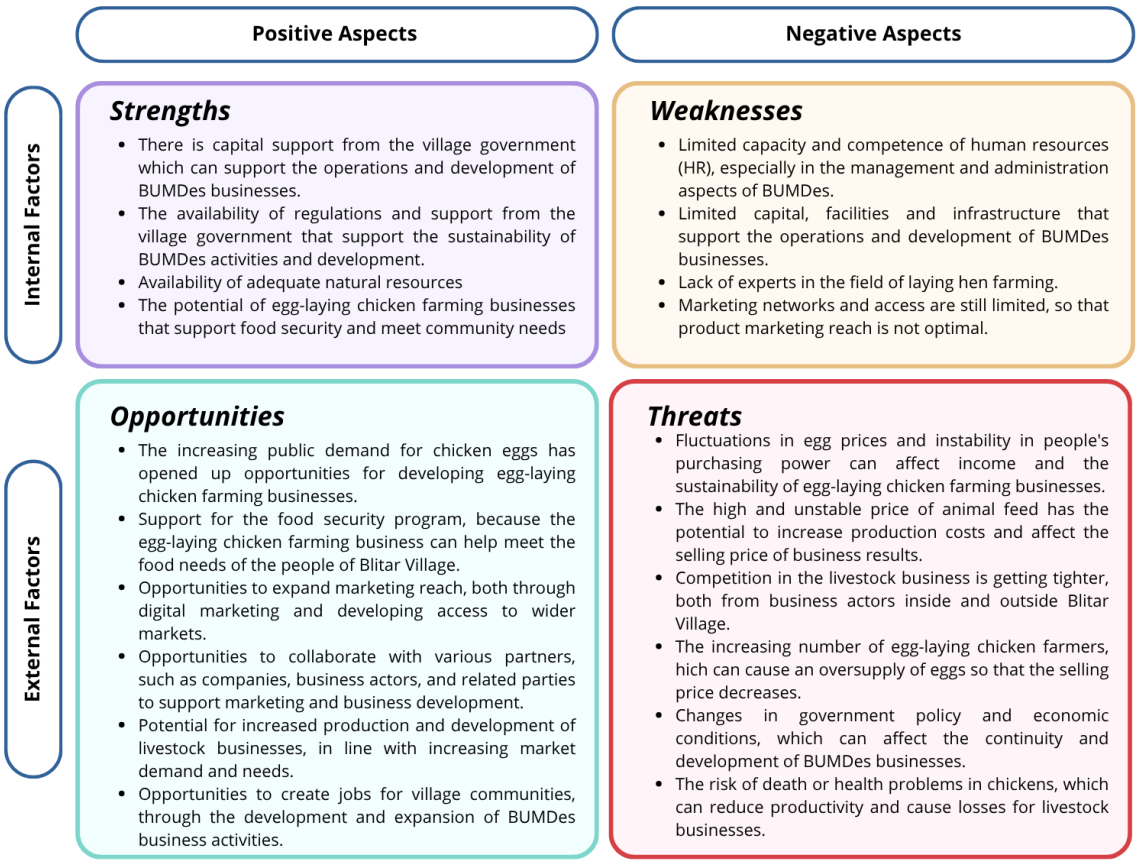



Figure 3. SWOT Analysis of the Village and the Village-Owned Enterprise (BUMDes) in Blitar

Based on the results of the SWOT analysis of internal factors, it is evident that the number of strengths and weaknesses is balanced. This situation indicates that BUMDes Mitra Usaha possesses internal capabilities that can support business growth, yet it also faces several obstacles. Limitations in terms of capital, facilities and infrastructure, and labor can be addressed by leveraging existing strengths, particularly with support from regulations and the village government.

In terms of external factors, the results of the SWOT analysis show that opportunities and threats are fairly evenly balanced. Significant opportunities for business growth including the possibility of collaboration with parties outside the village or the development of new business activities may also intensify competition. The increasing number of opportunities for entrepreneurs from outside the village could lead to even fiercer competition in the egg farming sector.

A similar study was conducted by Umiyati et al., (2023) which used the SWOT-AHP analysis approach to identify the potential, strengths, weaknesses, and opportunities in the development of the Village Owned Enterprise (BUMDes) in Renah Alai Village, Jangkat Subdistrict, Merangin Regency. The most prominent strength is its legal basis. The regulations governing the establishment of BUMDes are rooted in Law No. 6 of 2014 on Villages, and there is sufficient capital available. Strategies that leverage strengths and opportunities (SO) include the village government actively engaging with and supporting BUMDes, as well as promoting and encouraging entrepreneurship in rural areas.

The strengths of BUMDES Mitra Usaha, through its layer chicken farming business that supports food security and meets community needs, align with the strengths of BUMDes Rahayu in Kopang Subdistrict, Lombok Regency, as a supplier of basic foodstuffs designated by the local government agency to boost the community's economy (Haidar et al., 2024). These strengths also

present an opportunity for BUMDes Rahayu to become the hub of the village's economy, just as BUMDes Mitra Usaha has the opportunity to support food security programs by meeting the demand for eggs. Similarly, the findings of Chrisna et al. (2024), who analyzed the strengths underlying the potential for establishing sharia-based BUMDES in Pari City namely, the diversity of the village's natural resources also highlight that BUMDes Mitra Usaha possesses a key strength: the availability of adequate natural resources.

In line with the weaknesses identified in the BUMDE Sumber Makmur Abadi in Gading Village, Mojokerto, in a study conducted by Arif & Indrawati, (2024) namely the difficulty in expanding market reach due to limited use of digital technology (insufficient promotion via social media) and a shortage of trained workers (who do not yet possess adequate skills). Furthermore, the limitations in human resources and capital which are among the weaknesses of BUMDes Mitra Usaha are consistent with the findings of Farras et al. (2024), who identified these same limitations as weaknesses of BUMDes Mitra Sejahtera in Kedarpan Village.

One opportunity for BUMDes Mitra Usaha is the potential to increase production and develop livestock businesses, in line with rising market demand and needs. This aligns with the findings of a study by Hajati & Andriansyah (2025), which identified an opportunity for a BUMDes providing tent rental services in Tirawan Village, Kotabaru Regency: the presence of many customers from surrounding villages creates the potential to expand the market. Furthermore, partnerships with companies, business operators, and external parties present a significant opportunity for BUMDes Mitra Usaha to strengthen its marketing and business development efforts. These findings are consistent with the research by Febryany et al. (2023) on the Mitra Maju Sejahtera Village Owned Enterprise (BUMDes) in Gunung Putri Village, which was found to be effective in expanding the reach of village products after leveraging corporate cooperatives, MSMEs, and partner small shops as a distribution network.

Fluctuations in egg prices and instability in consumer purchasing power pose serious challenges for the Blitar Village Business Partner (BUMDes) in maintaining revenue and the sustainability of its layer chicken farming business. This phenomenon aligns with the research by Sriwati & Ferdian (2021) on BUMDes in Toini Village, Poso Pesisir Subdistrict. The layer chicken business in that location also faces similar risks due to inflation, where a general spike in market prices reduces the community's purchasing power and undermines the stability of egg prices. In addition, intense competition in the layer chicken farming business poses a real challenge for the Blitar Village Business Partner Village-Owned Enterprise (BUMDes). These increasingly intense competitive conditions are similar to those faced by the BUMDes in Toini Village, Poso Pesisir Subdistrict.

These various external threats highlight the importance for BUMDes Mitra Usaha Desa Blitar not only to respond to changes in the business environment but also to strengthen its internal conditions. Available internal strengths need to be optimized, while various weaknesses need to be minimized so that BUMDes can withstand competition and market fluctuations. To map these internal conditions, an Internal Factor Evaluation (IFE) analysis was applied to measure the strengths and weaknesses of BUMDes Mitra Usaha Desa Blitar. The assessment which includes weightings, ratings, and scores was conducted based on field data and respondent feedback to identify the internal factors that most significantly support the sustainability and expansion of the layer chicken farming business unit.

Table 1. Internal Factor Evaluation (IFE) Matrix

| Code | Dominant Internal Factors | Weight | Rating | Score |
|---|---|---|---|---|
| | **Strength** | | | |
| S1 | Capital support from the village government to sustain the operations and development of BUMDes | 0.256 | 4 | 1.02 |
| S2 | Regulations and support from the village government that ensure the continuity of BUMDes activities and development | 0.256 | 4 | 1.02 |
| S3 | Sufficient natural resources | 0.240 | 4 | 0.96 |
| S4 | The potential for a layer chicken farming business that supports food security and meets community needs | 0.248 | 4 | 0.99 |
| | **Total** | | | **3.99** |
| | **Weaknesses** | | | |
| W1 | Limited capacity and competence of human resources (HR), particularly in the areas of management and administration of BUMDes | 0.233 | 2 | 0.46 |
| W2 | Limited capital, facilities, and infrastructure to support the operations and business development of BUMDes | 0.248 | 1 | 0.24 |
| W3 | Lack of experts in the field of layer chicken farming | 0.263 | 1 | 0.26 |
| W4 | Marketing networks and access that remain limited, resulting in suboptimal market reach for products | 0.256 | 2 | 0.51 |
| | **Total** | | | **1.47** |

The results of the IFE matrix analysis in Table 2 show that BUMDes Mitra Usaha Desa Blitar's main strengths are capital support and regulations from the village government, each of which received a score of 1.02. The main weaknesses faced are limited networks and marketing access, with a score of 0.51, as well as limited human resource capacity and competence in management and administration, with a score of 0.46. Thus, support from the village government is an important internal asset for the development of BUMDes, while improving human resource capacity and expanding marketing access need to be prioritized in the development of the layer chicken farming business.

In addition to internal conditions, changes in the external business environment also determine the direction of development for the BUMDes Mitra Usaha Desa Blitar layer chicken business unit. These external factors present opportunities that should be capitalized on as well as threats that need to be watched closely. An External Factor Evaluation (EFE) analysis was conducted to identify opportunities and threats. Assigning weights, ratings, and scores to each external variable aims to measure the magnitude of their impact, while also serving as the primary basis for formulating adaptive strategies.

Table 2. External Factor Evaluation (EFE) Matrix

| Code | Dominant External Factors | Weight | Rating | Score |
|---|---|---|---|---|
| | **Oppurtunities** | | | |
| **O1** | **The growing public demand for chicken eggs, which opens up opportunities for the development of layer chicken farming businesses** | **0.167** | **4** | **0.67** |
| **O2** | **Support for food security programs, as layer chicken farming businesses can help meet the food needs of the people of Blitar Village** | **0.173** | **4** | **0.70** |
| **O3** | **Opportunities to expand marketing reach, both through digital marketing and by developing access to broader markets** | **0.167** | **4** | **0.67** |
| **O4** | **Opportunities to establish partnerships with various stakeholders, such as companies, business operators, and relevant parties, to support marketing and business development** | **0.167** | **4** | **0.67** |

| | | | | |
|---|---|---|---|---|
| **O5** | **Potential for increased production and the expansion of poultry farming operations, in line with rising market demand and needs** | **0.163** | **4** | **0.65** |
| **O6** | **Opportunities to create jobs for the village community through the development and expansion of BUMDes business activities** | **0.163** | **4** | **0.65** |
| | **Total** | | | **4.01** |
| | **Threats** | | | |
| **T1** | **Fluctuations in egg prices and instability in consumer purchasing power, which can affect income and the sustainability of the layer chicken farming business** | **0.157** | **2** | **0.31** |
| **T2** | **High and unstable animal feed prices, which have the potential to increase production costs and affect the selling price of the business's products** | **0.171** | **2** | **0.34** |
| **T3** | **Increasingly intense competition in the poultry farming sector, both from businesses within and outside Blitar Village** | **0.161** | **2** | **0.32** |
| **T4** | **An increase in the number of layer chicken farmers, which could lead to an oversupply of eggs and consequently drive down selling prices** | **0.157** | **2** | **0.31** |
| **T5** | **Changes in government policy and economic conditions, which could affect the sustainability and development of the BUMDes business** | **0.182** | **2** | **0.36** |
| **T6** | **The risk of mortality or health issues among chickens, which could reduce productivity and result in losses for the poultry farming business** | **0.171** | **2** | **0.34** |
| | **Total** | | | **1.98** |

The results of the EFE matrix analysis in Table 3 show that BUMDes Mitra Usaha Desa Blitar has some opportunities that can be leveraged in the development of its layer chicken farming business. Support for food security programs is the opportunity with the highest score of 0.70, followed by the increasing public demand for chicken eggs and the opportunity to expand marketing reach, each of which received a score of 0.67. These conditions indicate that high egg demand and support for food security can be important factors in the development of the BUMDes business. Meanwhile, in terms of threats, changes in government policy and economic conditions received the highest score of 0.36, followed by high and unstable feed prices and the risk of health issues in chickens, each scoring 0.34. This indicates that BUMDes must anticipate changes in economic conditions and policies while managing production costs and farming risks to ensure the business's sustainability.

Based on the SWOT analysis that has been conducted, the following strategies for implementing the smart village initiative through the role of the BUMDes Mitra Usaha in Blitar Village can be formulated:

a. Strategies that leverage strengths and opportunities (SO Strategy)
    1. Allocate capital funds and regulatory support from the Village Government to double or expand the production capacity of layer chicken farms to ensure nutritional supply and food security for the community of Blitar Village.
    2. Allocate capital funds and implement regulations from the Village Government to double or expand the production capacity of layer chicken farms to ensure a sufficient supply of nutrients and food security for the residents of Blitar Village.
    3. Leverage clear regulations and support from the Village Government's partners to establish long-term egg supply contracts with various partners, such as culinary SMEs, wholesale market vendors, restaurants, or government agencies.
b. Strategies that capitalize on strengths and address threats (ST Strategy)

1. BUMDes can optimize the use of capital contributions from the Village Government to procure local feed raw materials, such as corn, rice bran, and fish meal, which can then be processed independently. In addition, BUMDes can collectively procure manufactured feed on a large scale together with other BUMDes in Madukara Subdistrict to obtain more economical wholesale prices.
2. BUMDes need to establish a legal framework governing the allocation of a portion of BUMDes capital or profits to ensure livestock health, including through regular vaccination programs, strict biosecurity measures, and the procurement of livestock insurance. These steps are necessary as a form of risk mitigation so that, in the event of a disease outbreak, the impact of losses on the business's sustainability and the financial condition of BUMDes can be minimized.
3. BUMDes must establish a shared commitment with the Village Government through the enactment of Village Regulations that guarantee the continued provision of capital and the consistent and sustainable implementation of BUMDes business plans, so that the business's continuity does not depend on changes in the Village Head.

c. Strategies that capitalize on weaknesses and opportunities (WO Strategy)
   1. Take advantage of free training programs offered by government agencies or ministries (such as the PMD Agency or the Livestock Agency) and establish partnerships with universities or the private sector to provide technical guidance on governance, management, and administration of BUMDes.
   2. Optimize local digital marketing channels such as WhatsApp Business, social media, and registration in government- or village-owned online marketplace ecosystems to directly secure the market for the egg needs of the Blitar Village community (direct selling).
   3. Partner with food business operators, wholesalers, or through local nutrition programs such as village or school stunting prevention initiatives or, currently, through the government's Free Nutritious Meals Program kitchens as regular buyers (offtakers) to expand market reach without having to build a distribution network from scratch.

d. Strategies that leverage weaknesses and threats (WT Strategy)
   1. Limited human resources (HR) can be addressed by creating simple, written standard operating procedures (SOPs) for precise feed measurement (reducing feed waste) and maintaining organized inventory records so that production costs can be accurately monitored when feed prices spike.
   2. BUMDes managers can independently enhance their knowledge and skills through online training and benchmarking visits, as well as develop innovations such as producing fermented feed and utilizing local agricultural waste as a feed substitute, thereby reducing dependence on relatively expensive commercial feed.
   3. Develop sales models using a cost-plus pricing scheme (where the selling price follows fluctuations in feed costs) or implement a pre-order system and short-term contracts with local customers.
   4. Prepare routine financial reports that are transparent and accountable at any time, so that in the event of a change in village head or new village regulations, the BUMDes is not easily subject to interference or unilaterally shut down.

To identify the strategies implemented to achieve a smart village, the Analytic Hierarchy Process (AHP) method first proposed by Saaty in 1970 was used. The results of the Analytic Hierarchy Process (AHP) analysis are presented in Table 4.

Table 3. Strategic Analysis Using the AHP Method

| Hierarchy | Strategy | AHP Weights | Percentage | Category |
|---|---|---|---|---|
| **Priority 1** | Strengths-Opportunities Strategy (SO) | 0.255 | 25.5 % | high |
| **Priority 2** | Strengths-Threats Strategy (ST) | 0.258 | 25.8 % | high |
| **Priority 3** | Weaknesses-Opportunities Strategy (WO) | 0.258 | 25.8 % | high |
| **Priority 4** | Weaknesses-Threats Strategy (WT) | 0.228 | 22.8 % | low |

Based on the results of the Analytic Hierarchy Process, it was found that the priority strategy for BUMDes to implement so that Blitar Village, Madukara Subdistrict, can achieve Smart Village status leverages its strengths and addresses its weaknesses to capitalize on opportunities and counter external threats to Blitar Village. The following is a hierarchical chart of the Smart Village strategies that Blitar Village can implement through the role of BUMDes.

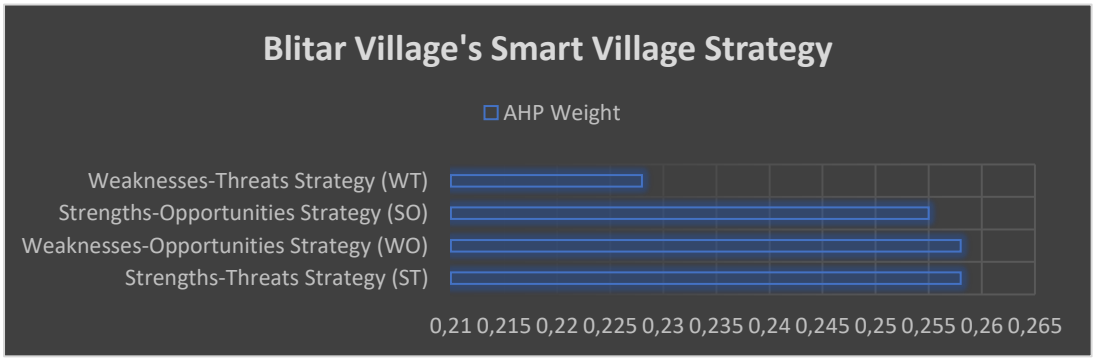



Figure 4. Smart Village Strategy Hierarchy Chart for Blitar Village

The Smart Village Strategy Hierarchy Chart that can be implemented by Blitar Village, Madukara Subdistrict, through the role of the Village-Owned Enterprise (BUMDes)—namely the ST Strategy, WO Strategy, and SO Strategy—has a high category with a score of 25.5–25.8 percent, indicating that these strategies are priorities for implementation. In general, the strategic vision that Blitar Village can pursue toward becoming a smart village through the role of the BUMDes is "To realize an independent and resilient BUMDes through the strengthening of village capital and regulations, production efficiency based on risk protection, as well as the expansion of digital markets and food security partnerships".

## CONCLUSION

BUMDes Mitra Usaha Desa Blitar has very strong strengths, with a score of 3.99, supported by capital, village government regulations, natural resources, and the potential of the layer chicken business. On the other hand, its weaknesses are relatively low (score of 1.47), centered on limitations in human resources, capital/facilities, experts, and marketing networks. Market opportunities (Opportunities) are very high with a score of 4.01, driven by high demand for eggs, support from food security programs, and the potential for partnerships and digital marketing. Meanwhile, threats (Threats) are at a moderate level (score of 1.98), consisting of fluctuations in egg and feed prices, business competition, and the risk of livestock diseases. The application of the Analytic Hierarchy Process (AHP) revealed that the three main strategies (ST, WO, and SO) fall into the "High" category (range: 25.5%–25.8%), making them the top priority pillars that must be

implemented simultaneously. Therefore, the development direction for BUMDes Mitra Usaha Desa Blitar, Madukara Subdistrict, in realizing a Smart Village relies on leveraging internal strengths and addressing weaknesses to capitalize on external opportunities and protect the business from threats.

The implications of this study call on BUMDes managers and the Blitar Village Government to implement simultaneous and integrated execution strategies by balancing the optimization of capital and natural resources (SO), improving human resources and digital marketing to support the Smart Village concept (WO), and proactively mitigating livestock business risks (ST). The implementation of this strategy must be supported by the allocation of village budgets for supply chain digitization and digital marketing training, complemented by the establishment of an emergency reserve fund (buffer fund) and formal partnerships with veterinarians and feed suppliers to anticipate price fluctuations and livestock disease risks. A recommendation for future research is to expand the scope of the study to ensure a more comprehensive impact.

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