

Strategies for Improving Banana Agroindustry Performance at Minions Winner MSMEs in Karanganyar Regency: A Balanced Scorecard Approach

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ABSTRACT

This research was conducted at Minions Winner MSME, a banana chip agroindustry located in Karanganyar Regency, Central Java, Indonesia. Micro, small, and medium enterprises (MSMEs) are experiencing rapid development but often lack a comprehensive performance measurement framework that integrates financial and non-financial indicators. This study addresses that gap by applying the balanced scorecard approach to assess MSME performance holistically and formulate improvement strategies. The research was conducted using a descriptive method with primary and secondary data sources. Data were analyzed using the balanced scorecard framework covering financial, customer, internal business process, and learning and growth perspectives. The results showed that the performance of Minions Winner MSME achieved a score of 88.5%, categorized as good. The financial, customer, and learning and growth perspectives performed well, while the internal business process perspective remained weak. Strategic recommendations emphasize digital marketing, innovation in product variants, improvement of standard operating procedures, and elimination of job rotation systems. These findings fill an important gap by demonstrating how the balanced scorecard can serve as a practical tool for MSMEs to evaluate multidimensional performance and guide targeted improvement. The results also provide practical insights for similar MSMEs to enhance competitiveness through structured performance evaluation and strategy development.

Keywords: *balanced scorecard, performance, MSMEs, strategy, banana agroindustry*

BACKGROUND

The role of the private sector in Indonesia is dynamically able to create a change in the micro, small and medium enterprise sector. Micro, small and medium enterprises have a strategic role in driving economic growth, creating jobs, and reducing poverty (Muljanto, 2020). The development of the MSME sector is accelerating along with advances in technology and information. The growth of MSMEs in Central Java Province in 2020-2022 experienced a significant development. The number of MSMEs in 2020 was 167,391 units and continued to increase to 177,256 units in 2022 (Central Java Cooperative and MSME Office). Rokhmah & Yahya (2020) stated that MSMEs are able to grow

rapidly because they are businesses that are easy to start. One of the regions in Central Java Province that has the potential for MSME pioneering is Karanganyar Regency. The number of MSME players in Karanganyar Regency was recorded in 2022 at 73,000 units and continues to grow (Disdagnakerkop UKM Kab. Karanganyar). This condition can create a tighter market competition system.

However, performance measurement remains one of the most persistent challenges faced by MSMEs. Many MSMEs still rely on informal financial records and lack systematic tools to assess productivity, efficiency, and customer satisfaction. Limited managerial capability, absence of standardized indicators, and minimal access to analytical tools often result in partial or inconsistent performance evaluation (Ardiansyah, 2019; Fatima et al., 2018). Moreover, MSME owners tend to equate business success with short-term financial outcomes, neglecting other essential dimensions such as innovation, internal process quality, and human resource development (Al-Khadash & Al-Hares, 2023). These challenges are not unique to a single enterprise but are pervasive across MSMEs in developing economies, reflecting structural weaknesses in business management literacy, data documentation, and strategic evaluation practices. Therefore, a comprehensive performance framework such as the balanced scorecard is crucial for enabling MSMEs to translate their goals into measurable outcomes and continuous improvement strategies.

Minions Winner MSME is a business unit engaged in agro-industry with banana chip products. Minions Winner MSME has been pioneered since 2013 and has continued to grow until now. These developments can be seen in terms of production scale, number of workers, market reach, and financial condition. Unfortunately, the development potential of Minions Winner MSME has not been matched by a good performance measurement system. Minions Winner MSMEs still lack long-term business insights, especially recording, reporting, and work evaluation. UMKM Minions Winner focuses too much on financial orientation but pays less attention to other equally important aspects of work. UMKM Minions Winner lacks a good information and supervision system in managing problems so that they are not resolved appropriately. The number of sales and revenue obtained by UMKM Minions Winner cannot be said to be stable because it experiences significant fluctuations.

Table 1. Revenue of Minions Winner MSME in 2021-2022

Period	Year	
	2021	2022
January	IDR 60,138,000	IDR 73,967,000
February	IDR 51,858,500	IDR 56,265,750
March	IDR 53,745,000	IDR 64,805,500
April	IDR 58,871,500	IDR 68,826,000
May	IDR 42,150,000	IDR 50,721,000
June	IDR 85,571,500	IDR 50,839,500
July	IDR 85,053,000	IDR 65,605,000
August	IDR 80,478,750	IDR 66,769,500
September	IDR 69,126,750	IDR 74,012,000
October	IDR 70,441,850	IDR 69,029,250
November	IDR 66,238,000	IDR 69,191,000
December	IDR 74,548,000	IDR 65,471,500
Total	IDR 798,220,850	IDR 775,503,000

(Source: Primary Data, 2023)

Sales of Minions Winner MSME products experience high fluctuations, causing a decrease in total revenue. This indicates that financial conditions are still an important problem for Minions Winner MSMEs. In the opinion of Ardiansyah (2019), the main problem of micro and small businesses is financial conditions, while according to Arliman (2017) explains that financial problems can include several causes such as structural inequality, effectiveness of resource management, management quality, access to financial institutions, information systems, and limited performance. According to Al-Khadash & Al-Hares (2023) business performance measurement is often wrong because it emphasises the financial point of view but closes and eliminates other points of view that have a cause-and-effect relationship.

The problems of UMKM Minions Winner are the main consideration for the need for performance analysis to determine the level of work success and its problems in detail and measurable. UMKM Minions Winner has conducted performance measurements in 2020 but not systematically. Performance measurement is limited to assessing financial performance to determine financial conditions during the Covid-19 pandemic. The results of these performance measurements do not have a significant impact on the conditions experienced. Proper performance measurement provides benefits in providing and obtaining *feedback* in knowing problems and alternative solutions. (Trihudyatmanto & Purwanto, 2018). Work measurement will have an organisational impact such as motivating employees and encouraging resource efficiency (Fatima et al., 2018).

Performance measurement of Minions Winner MSMEs is carried out using the *balanced scorecard* method. *Balanced scorecard* is a theory and concept coined by Kaplan and Norton in 1996. Galib & Hidayat (2018) suggest that the *balanced scorecard* was developed to complement traditional work measurement tools in the era of organisational effectiveness and competitiveness. *Balanced scorecard* has advantages because it is comprehensive and coherent in connecting or communicating financial and non-financial aspects into a strategic (Ismail & Rahman, 2022). *Balanced scorecard* can have a real impact that encourages basic strategic changes for small businesses (Evan et al., 2021). The *balanced scorecard* perspectives measured are financial aspects, customers, internal business processes, and learning and growth.

Compared with previous applications of the Balanced Scorecard in MSMEs, this study advances understanding in several ways. Prior studies such as Galib and Hidayat (2018) and Evan et al. (2021) primarily examined the Balanced Scorecard as a diagnostic tool for measuring performance but did not explicitly link the results to the formulation of targeted improvement strategies. This research bridges that gap by integrating performance measurement with strategic action planning, providing a more dynamic framework for MSME management. Moreover, most earlier studies focused on manufacturing or service MSMEs in urban areas, while this study expands the context to an agroindustry-based MSME in a semi-rural region, where operational, resource, and market challenges differ substantially. By identifying how internal process inefficiencies and innovation gaps specifically constrain agroindustry competitiveness, the findings contribute new empirical evidence on how the Balanced Scorecard can be localized and adapted to small-scale food processing enterprises. The integration of qualitative insights from multiple stakeholders-owners, workers, customers, and local agencies-also enhances the analytical depth compared with prior quantitatively driven studies. Therefore, this research not only validates the Balanced Scorecard's applicability for

MSMEs but also extends its use as a strategic management framework tailored to resource-limited agribusiness contexts.

RESEARCH METHODS

The research was conducted at Minions Winner MSMEs in Karanganyar Regency, Central Java Province. The research was conducted in the period March 2024 - April 2024. The basic method used in this research is descriptive qualitative approach. Descriptive research is research that aims to describe accurately and systematically the nature and relationship between the events studied (Saihu, 2019). The selection of respondents used a purposive sampling technique, where participants were chosen deliberately based on their relevance and contribution to the study objectives. Purposive sampling was considered appropriate because the research required in-depth insights from actors who directly understand the operational, managerial, and customer aspects of the business (Lenaini, 2021). The location was chosen because MSME Minions Winner is a business that has been started for a long time and has experienced great development but has not yet measured performance. *Key informants* in this study are business owners, managers, labour, customers, and the Karanganyar Regency Cooperative and MSME Office. The types of data used in the research are primary data and secondary data. Primary data was obtained from direct interviews and questionnaires. Secondary data was obtained from previous research, scientific articles, *online* news publications, and publications of the Office of Cooperatives and MSMEs. The data collection methods used in this research are interviews, questionnaires, recording, observation, and documentation.

Analysis of research data using *balanced scorecard*. *Balanced scorecard* is an approach used to measure business performance through four perspectives, namely: finance, customers, internal business processes, and learning and growth. *Key performance indicators* in this study amounted to 16 strategic indicators. The financial perspective as a key perspective has a total of 7 indicators, while other perspectives have 3 indicators each. The stages of *balanced scorecard* analysis include: translating and communicating the vision, mission, and strategic goals; determining the weights and targets of strategic measures; determining the results of strategic measure scores; and determining the final performance score. The formulation of recommendations for performance improvement strategies was carried out using *focus group discussion* techniques and triangulation techniques through a qualitative approach. To minimize the biases in the qualitative analysis, the study applied triangulation techniques-comparing data from multiple sources (owners, workers, customers, and government officials) and cross-validating interview findings with quantitative performance indicators. Structured interview guides were used to maintain consistency, and researcher interpretations were discussed with key informants during focus group discussions to ensure accuracy and transparency of results

RESULT AND DISCUSSION

Translating Vision, Mission and Goals

Translation of vision, mission, and goals is the first step in formulating *balanced scorecard* strategic goals. Vision and mission are important for a business as a form of direction that is conveyed

to limit activities to achieve the set goals (Kajanová & Sedláčková, 2022). Each strategic goal of the *balanced scorecard* has a relationship with the vision, mission, and business goals. Minions Winner MSME runs a business guided by the vision, mission, and goals as in Table 2.

Table 2. Vision, Mission and Goals of Minions Winner SMEs

Vision	Mission	Destination
Build resilient and competitive businesses to gain financial returns and create jobs for the community	Creating quality products and providing the best service in an effort to fulfil customer needs and satisfaction.	Assisting the improvement and economic growth of the lower middle class through the development of entrepreneurial skills

(Source: Primary Data Analysis, 2024)

The vision of Minions Winner MSME focuses on the ability to compete for profit. The mission of Minions Winner MSME focuses on fulfilling the needs and satisfaction of consumers, while the goal focuses on increasing employment. The vision, mission, and goals of Minions Winner MSME are then translated into the objectives of the *balanced scorecard* perspective strategic plan. The mapping of vision, mission, and goals is aligned with each *balanced scorecard* perspective that has the strongest relationship (Rizqiyah, 2018). The *balanced scorecard* strategic mapping is used as a guide in determining strategic directions and measures. The following is the translation of the vision, mission, and objectives of Minions Winner MSMEs to the *balanced scorecard*.

Table 3. Mapping the Vision, Mission, and Goals of Minions Winner MSMEs

Vision	
Perspective	Target
Finance	Financial benefits
Customer	Resilient and competitive
Learning and Growth	Employment opportunities for the community
Mission	
Customer	Fulfilment of customer needs and satisfaction
Internal business processes	Quality products and excellent service
Destination	
Finance	Economic improvement
Learning and Growth	Entrepreneurial skills development

(Source: Primary Data Analysis, 2024)

The map of vision, mission, and goals of Minions Winner MSMEs fulfils the strategic goals so that it is possible to achieve through *balanced scorecard* performance. Each strategic goal of the *balanced scorecard* perspective is then determined by its measures. The size of the strategic objectives in the *balanced scorecard* method is divided into two, namely the size of the results (*lag indicator*) and the size of the driver (*lead indicator*). Kaplan & Norton (2006) explain that *lag indicators* are used to determine the success rate of the process, while *lead indicators* are used to determine the factors that drive the success of strategic goals.

Table 4. Strategic Measures of Minions Winner MSMEs

Perspective	Strategic Objectives	Strategic Measures	
		Lag Indicator	Lead Indicator
<i>Financial</i>	F1- Business feasibility assessment	NPV & IRR	Eligibility criteria
	F2- Increased production volume	BEP	Total sales
	F3- Increased income	NPM & GPM	Total operating profit
	F4- Improved asset management	ROA	Total profit
	F5- Improved financial efficiency	Efficiency Ratio	Financial efficiency
<i>Customer</i>	C1- Retain existing customers	Customer Retention	Number of active existing customers
	C2- Increased number of new customers	Customer Acquisition	Number of new customers
	C3- Increased customer satisfaction	Customer Satisfaction	Satisfaction survey
<i>Internal Business Process</i>	I1- Improved ideas and innovation	Product Innovation	Number of new products
	I2- Improved process time effectiveness	Operation Process (MCE)	Production time efficiency
	I3- Reduction in the number of defective products	Damaged Products	Number of defective products
<i>Learning and Growth</i>	L1- Increased labour productivity	Labour Productivity	Total operating profit
	L2- Improved labour satisfaction	Labour Satisfaction	Satisfaction survey
	L3- Increased labour force	Labour Force Growth	Number of labourers

(Source: Primary Data Analysis, 2024)

Determination of Strategic Measure Weights and Targets

Strategic measures are key performance indicators (KPIs) that serve as performance benchmarks. Each performance indicator must be determined by the amount of weight and target achievement. Weighting is done to emphasise KPIs that are prioritised. Determination of the weight or priority of each indicator is done by dividing the KPI into several criteria. The minimum indicator weighting is 5% (important indicators), 10% (very important or *main value* indicators), and 15% (crucial or critical indicators). Indicator weights that are too small (<5%) indicate that the number of measurement indicators set is too large. The total weight of all indicators must equal 100% (Arini, 2015).

Determining the weights and performance targets of Minions Winner MSMEs using *focus group discussion* methods and literature studies. Indicators that have high weights are customer satisfaction, operating processes, labour productivity, and labour satisfaction. These indicators are very important measures in achieving the vision, mission, and goals of Minions Winner MSMEs. The financial perspective indicator targets set are the minimum standards that must be achieved based on relevant financial literature studies. Target indicators determined by Minions Winner MSME include customer acquisition, customer retention, customer satisfaction, product innovation, damaged products, labour satisfaction, and labour growth.

Table 5. Indicator Weighting and Targets

Perspective	Indicators	Weight (%)	Target
Finance	Net Present Value	5	> 0
	Internal Rate of Return	5	> MARR
	Break Even Point	5	Min BEP
	Net Profit Margin	5	Min 10%

Perspective	Indicators	Weight (%)	Target
	Gross Profit Margin	5	Min 30%
	Return On Assets	5	Min 30%
	Efficiency Ratio	5	< 100%
Customer	Customer Retention	5	Min 70%
	Customer Acquisition	5	Min 20%
	Customer Satisfaction	10	Min 70%
Internal Business Processes	Product Innovation	5	Min 1 per year
	Operation Process (MCE)	10	< 1
	Damaged Products	5	Max 1% per day
Learning and Growth	Labour Productivity	10	Min IDR 1,000,000
	Labour Satisfaction	10	Min 70%
	Labour Force Growth	5	Min 2 per year

(Source: Primary Data Analysis, 2024)

Performance Score Measurement

The measurement of the performance score of Minions Winner MSMEs is carried out by calculating the results of the achievement of each strategic goal and then recapitulated into the *balanced scorecard* performance reporting table (Arini, 2015). The achievement score is divided into two, namely *base* and *stretch*. *Base* is the comparison of the achievement score against the target while *stretch* is the amount of achievement score that has exceeded the target (in units of per cent). The achievement score is obtained from the quotient between the realisation and the target set. The total score is obtained based on the calculation of the base score multiplied by the weight then divided by 100. The achievement score value is then categorised based on the performance achievement status criteria.

Table 6. Results of Performance Reporting with *Balanced Scorecard*

Target	Weight (%)	Target	Realisation	Achievement (%)		Total Score (%)
				Base	Stretch	
Net Present Value	5	> 0	> 0	100	0	5
Internal Rate of Return	5	> MARR	> MARR	100	0	5
Break Even Point	5	> BEP	> BEP	100	0	5
Net Profit Margin	5	> 10%	11,35%	100	13	5
Gross Profit Margin	5	> 30%	39,71%	100	32	5
Return On Assets	5	> 30%	45,9%	100	53	5
Efficiency Ratio	5	< 100%	88,10%	100	12	5
Customer Retention	5	> 70%	86.10 %	100	23	5
Customer Acquisition	5	> 20%	13,90 %	70	(-30)	3,5*
Customer Satisfaction	10	> 70%	82,40	100	18	10
Product Innovation	5	> 1 per year	0	0	(-100)	0*
Operation Process (MCE)	10	< 1	0,64	100	56	10
Damaged Products	5	< 1% per day	1,18 %	0	(-18)	0*
Labour Productivity	10	> 1 Million per person	IDR 1,095,215	100	22	10
Labour Satisfaction	10	> 70%	83,6	100	19	10
Labour Force Growth	5	> 2 per year	2 people	100	0	5
Performance Score						88,5

(Source: Primary Data Analysis, 2024)

Description: *Did not meet the target

Table 6. shows the results of measuring the performance of Minions Winner MSMEs using a *balanced scorecard*. The total score is the result of multiplying the *base* achievement score by the weight in units of per cent. Based on the measurement results, the overall performance of Minions Winner MSME has a score of 88.5% or good performance (Arini, 2015). The performance results of each *balanced scorecard* perspective are as follows:

1. Financial Perspective

The performance of the financial perspective is measured by reviewing seven strategic measures of business viability and profitability ratios with a weight of 5% each or a total weight of 35%. The strategic measures in question are *net present value*, *internal rate of return*, *break even point*, *net profit margin*, *gross profit margin*, *return on assets*, and efficiency ratio with their respective targets set according to relevant industry literature standards. Based on the results of the measurements taken, all financial perspective measures were able to achieve the specified targets. The indicator with the highest achievement is *return on assets*. With these results, the financial perspective obtained a final score of 35 out of a total of 35 or 100% of the total weight so that it can be said that the performance is very good.

2. Customer Perspective

Customer perspective performance is measured by looking at the strategic measures of retention rate, acquisition, and customer satisfaction. The weight of customer retention and acquisition measures is 5% each while customer satisfaction has a weight of 10%. Based on the results of the measurements taken, the retention rate and customer satisfaction are able to achieve a perfect score but not for customer acquisition. Minions Winner MSME customer acquisition obtained a result of 13.90%, which did not reach the target of > 20%. The customer acquisition achievement score is only 3.5% of the total 5%. With these results, the customer perspective obtained a final score of 18.5 out of a total of 20. The customer perspective performance score is 92.5% so it can be said that the performance is good.

3. Internal Business Process Perspective

The performance of the internal business process perspective is measured by reviewing the strategic measures of product innovation, operating processes through *manufacturing cycle effectiveness*, and damaged products. The weight of product innovation is 5%, the operation process is 10%, and damaged products are 5% so that the total weight is equal to 20%. Based on the measurement results, there are two strategic measures that did not reach the achievement target. Minions Winner MSME product innovation scored 0 because there was no product innovation in 2023. The product damage rate of MSME Minions Winner reached 1.18%, which exceeded the target limit of 1%. With these results, the internal business process perspective obtained a final score of 10 out of 20 from the total weight or 50% so that it is said that the performance is not good.

4. Learning and Growth Perspective

The learning and growth perspective is measured by analysing strategic measures regarding the workforce which includes the level of productivity per individual, the level of satisfaction, and the growth rate of the workforce. The weight of labour productivity and satisfaction measures

is 10% each, while the weight of labour growth is 5%. Based on the results of the measurements taken, all measures of the Minions Winner MSME workforce were able to achieve the set targets. With these results, the learning and growth perspective obtained a final score of 25 out of a total weight of 25 or 100% so that it can be said that the performance is very good.

Performance Issues

The results of the balanced *scorecard* performance measurement show that there are 3 strategic indicators in the "poor" category because they are unable to achieve the target. The strategic indicators that did not reach the target were the level of customer acquisition, the level of product innovation, and the high number of damaged products. These results strengthen the indication that there are still unresolved operational problems in Minions Winner MSMEs that can affect performance levels. Problems that have not been resolved completely can pose a risk of decreasing the level of business performance and the quality of the products produced.

These findings are consistent with prior studies emphasizing that MSMEs often face internal process inefficiencies and limited innovation capacity when applying the Balanced Scorecard. For instance, Galib and Hidayat (2018) found that innovation and process control were the weakest dimensions in MSMEs due to the absence of formal standard operating procedures and inadequate documentation systems. Similarly, Evan et al. (2021) reported that internal business process indicators—such as production time efficiency and product quality—tend to lag behind financial and customer perspectives because of limited technological adoption and workforce specialization. Fatima et al. (2018) also noted that MSMEs frequently underperform in innovation-driven KPIs, as owners prioritize short-term profit goals over process improvement. In contrast, the present study highlights that, although Minions Winner MSME performs well financially, its weaknesses in innovation and quality control mirror a broader pattern among MSMEs, reinforcing the need for stronger internal management and creativity-based incentives.

The identification of problems in MSME Minions Winner was carried out using direct observation techniques of the production process, interviews, and *focus group discussions* with *key informants*. *Key informants* involved in the problem identification process are the owner, manager, and labour.

Table 7. Performance Issues of Minions Winner MSMEs

Perspective	Problems
Finance	Decrease in sales volume
Customer	Decrease in the number of customers
Internal Business Processes	Promotion strategy that is not maximised Lack of innovative ideas and ideas about product development Lack of <i>brainstorming</i> activities between the owner and the workforce Standard operating procedures have not been implemented properly There is a system of job position rotation (<i>rolling</i>)
Learning and Growth	Lack of regular reporting and <i>monitoring</i> system There is a family principle at work

(Source: Primary Data Analysis, 2024)

Table 7 shows that the performance problems of Minions Winner MSMEs are evenly distributed in each *balanced scorecard* perspective. Each problem in one perspective has a causal

relationship that can affect other perspectives above it. The problem with the learning and growth perspective is the lack of a labour *monitoring* and evaluation system so that every achievement and problem that occurs is less monitored. Work *monitoring* does not run well due to lack of leadership supervision and ineffective information systems, resulting in work problems not being conveyed and resolved. Problems from the learning and growth perspective create a chain of problems for the internal business process perspective, namely the lack of product innovation and the high percentage of damaged products due to poor implementation of SOPs. The condition of operational standards is exacerbated by the irregular and unplanned job position rotation system. The product promotion system is also not running well due to the lack of collaboration or brainstorming between leaders and the workforce. The problems of the internal business process perspective have an unfavourable influence on the customer perspective as evidenced by the decrease in the number and level of customer acquisition.

These performance problems ultimately have an impact on the financial condition of Minions Winner MSMEs because they cause a decrease in sales volume and profits. Siswanti (2020) states that business performance indicators are said to be good when there is sales growth, customer growth, and profit growth. The overall performance score of Minions Winner MSMEs shows good results but is at risk of experiencing a decline in performance if the problems that occur have not found the right solutions and strategies.

The identification of these root-causes provides a clear rationale for the formulation of performance improvement strategies. Since the main weaknesses of Minions Winner MSME stem from limited resources, insufficient workforce competence, and organizational rigidity, the proposed strategies are designed to directly address these structural issues. Enhancing digital marketing and customer engagement help overcome market access constraints; strengthening standard operating procedures and reducing job rotation mitigates process inconsistency; while introducing innovation programs and worker training promotes a culture of continuous improvement. In this way, the recommended actions are not merely corrective but transformative, aiming to shift the enterprise from an informal, family-based system toward a more professional and performance-oriented organization.

Formulation of Performance Improvement Strategies

Performance improvement strategies were formulated using *focus group discussion* and triangulation methods. Parties (*key informants*) who play a role in *focus group discussion* activities include researchers, business owners, managers, and representatives of the Minions Winner MSME workforce. Data triangulation is a data collection technique that combines various existing data and sources (Sugiyono, 2010). Source triangulation is a data *crosscheck* technique that compares facts and data from various sources. Data triangulation can help the validation process of *focus group discussion* results so as to reduce the potential for biased data (Alfansyur & Mariyani, 2020). There are external parties who play a role in strategy formulation, namely the Karanganyar Regency Cooperative and MSME Office through interview activities that have been carried out before the *focus group discussion* activities. The topic of the *focus group discussion* is the results of *balanced scorecard* performance measurement and performance problems in Minions Winner MSMEs.

The topic of discussion focuses on the formulation of problem solutions and recommendations for performance improvement strategies from the perspective of customers and internal business processes. The strategy formulation puts forward 3 indicators that are "not good", namely how to increase the number of new customers, product innovation design, and efforts to reduce product damage rates. Permana (2018) suggests that *balanced scorecard* performance strategy initiatives can be divided into two, namely improvement strategies (*improve*) and maintenance strategies (*maintenance*). Table 8 summarizes the formulation of performance improvement strategies for Minions Winner MSME derived from the Balanced Scorecard evaluation.

Customer Perspective

The Balanced Scorecard results indicate that customer acquisition did not reach the targeted level, showing that Minions Winner MSME relies heavily on existing customers and has limited market expansion. This condition suggests insufficient promotion intensity and low business visibility. The proposed strategies—digital marketing through Facebook and Instagram, Google Maps registration, consignment sales in tourism areas, and expansion to new regional markets—directly address this weakness by increasing exposure and accessibility. These strategies are expected to strengthen brand recognition, attract new customers, and reduce dependence on a narrow customer base, which is critical for long-term sales growth.

Table 8. Formulation of Performance Improvement Strategies for Minions Winner MSME Based on Balanced Scorecard Findings

Balanced Scorecard Perspective	Key Performance Issues (Weak Indicators)	Strategy Type	Proposed Improvement Strategies	Expected Outcomes
Customer Perspective	Low customer acquisition (below target)	Improve	1) Create and actively manage Facebook & Instagram for promotion 2) Register business on Google Maps to increase visibility and trust (ratings & reviews) 3) Expand sales through consignment in tourism areas (Ngargoyoso, Jenawi, Tawangmangu, Magetan) 4) Expand distribution outside Solo Raya, especially East Java border areas	Increased market reach, higher number of new customers, improved customer awareness and engagement
Internal Business Process Perspective	No product innovation; high damaged products; weak SOP implementation; ineffective job rotation	Improve	1) Develop new product variants (chocolate & strawberry flavors) 2) Redesign packaging (250g aluminum pouch) to strengthen product appeal 3) Develop written and structured SOPs and place reminder posters in production area 4) Reduce/eliminate job rotation system to maintain consistent product quality	Increased innovation capacity, reduced defects, more standardized production process, improved product consistency

Balanced Scorecard Perspective	Key Performance Issues (Weak Indicators)	Strategy Type	Proposed Improvement Strategies	Expected Outcomes
Financial Perspective	Risk of sales fluctuation and operational cost inefficiency	Maintain	1) Increase sales by participating in MSME exhibitions and bazaars supported by government programs 2) Improve inventory management of key raw materials (banana, cooking oil) to prevent scarcity and price shocks	More stable revenue, better cost efficiency, stronger financial resilience
Learning and Growth Perspective	Weak monitoring/reporting system; informal family-based work culture	Maintain	1) Improve financial recording and reporting quality (costs, income, annual reports) 2) Conduct monthly and annual monitoring and evaluation 3) Apply KPI-based reward & punishment system for workforce discipline	Stronger managerial control, improved accountability, better workforce performance and sustainability

Internal Business Process Perspective

The internal business process perspective recorded the weakest performance, particularly in product innovation and damaged product rates. The absence of product innovation indicates limited responsiveness to changing consumer preferences, while the high defect rate reflects inconsistent production practices and weak SOP implementation. The recommended strategies—introducing new flavor variants, redesigning packaging, formalizing written SOPs, and reducing job rotation—aim to stabilize production quality and stimulate innovation. Process specialization and clearer work standards are expected to reduce errors, improve efficiency, and enhance product consistency, thereby strengthening competitiveness in the agroindustry market.

Financial Perspective

Financial indicators show strong performance and meet all predefined targets, indicating that the MSME is financially viable. However, qualitative findings reveal risks related to sales volatility and raw material cost fluctuations. As a result, the strategies for this perspective focus on maintaining performance rather than corrective action. Participation in exhibitions and bazaars is expected to support revenue stability, while improved inventory management aims to control costs and ensure production continuity. These measures help protect financial performance from external shocks without requiring major structural changes.

Learning and Growth Perspective

The learning and growth perspective achieved good performance in terms of productivity and labor satisfaction, but weaknesses remain in monitoring, reporting, and managerial discipline. Informal management practices limit the MSME's ability to systematically evaluate performance and respond to emerging problems. The proposed strategies—improving financial reporting, implementing regular monitoring and evaluation, and applying KPI-based reward and punishment systems—are designed to strengthen internal control and accountability. These actions support

sustainable performance improvement by reinforcing organizational learning and workforce discipline.

Taken together, the strategies reflect a clear alignment between identified performance gaps and targeted managerial actions. Improvement strategies focus on correcting weaknesses in customer growth and internal processes, while maintenance strategies preserve strengths in financial performance and workforce capacity. This structured approach demonstrates the Balanced Scorecard's effectiveness not only as a performance measurement tool but also as a framework for translating results into concrete and actionable strategies for MSME development.

CONCLUSION AND SUGGESTION

Performance measurement of Minions Winner MSME using the balanced scorecard method shows good overall performance with a total score of 88.5%. The financial perspective shows good performance, the customer perspective shows good performance, the internal business process perspective shows weak performance, and the learning and growth perspective shows very good performance. Recommendations for strategies to improve performance include developing digital marketing initiatives, product innovation in flavor and packaging, preparation of standard operating procedures, and elimination of the job rotation system. The financial strategy focuses on increasing sales volume and reducing operational expenses, while the learning and growth perspective emphasizes improving reporting quality and regular evaluation programs. The implications of this study extend beyond a single enterprise to the wider MSME ecosystem. Economically, adopting a balanced scorecard framework can help MSMEs strengthen financial discipline, enhance efficiency, and improve market access—factors that collectively boost regional competitiveness and resilience. Socially, improved MSME performance contributes to job creation, skill development, and household income stability, thereby supporting community welfare. These findings also provide valuable insights for local governments and industry regulators, who can use them to design targeted policies and support systems that encourage structured performance assessment across MSMEs. Such initiatives may include training programs on financial management, digital marketing, and product innovation, as well as incentives for adopting standardized operating procedures and digital tools.

This study contributes to advancing knowledge on MSME performance management by demonstrating how the Balanced Scorecard can move beyond simple measurement to guide strategic improvement. Unlike previous studies that treated the Balanced Scorecard mainly as a diagnostic tool, this research integrates performance evaluation with actionable strategies tailored to an agroindustry context. The findings highlight how limited innovation, weak internal processes, and resource constraints affect MSME competitiveness, particularly in semi-rural settings. By linking these insights to practical solutions such as digital marketing, process standardization, and capacity building, the study extends the Balanced Scorecard's relevance as a strategic framework for resource-limited agribusinesses and provides evidence-based guidance for policy and training initiatives to strengthen MSME performance.

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