

MSMEs BUSINESS SCALE-UP STRATEGY



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Abstract

This research aims to use qualitative research methods concerning strategies for developing MSME businesses. Data collection techniques through interviews with similar companies and MSME Company Scale Up experts. The results of the analysis show that there are 4 strategies: 1. Inspired Stage (Idea Validation), at this stage business people have the desire to run, own, and develop a culinary business. 2. Start Stage (Product Validation), at this stage business people have started trying and carrying out "tests" or validation of the products they have, businesses that use vending machines can have greater capacity. 3. Scale Stage (Business Model Validation), at this stage, customers are already coming back, meaning the business model is already running. What else do you need to prepare and how to develop it? 4. Sustainability Stage, the goal of the business is "sustainability" meaning that the business can run continuously, there are growing profits, there are customers who come back, there are customers who recommend. To successfully develop a business, you must fulfill the 5 things above, so that the products produced can be known and accepted by consumers. In winning business competition, continuous innovation is needed, to keep up with developments that occur, as well as the implementation of good management systems, to be able to evaluate operations and product strategies. With system management, the owner does not need to be on standby at the office, just controls the reports received from the system. So that if a performance failure occurs, it can be immediately identified and resolved.

Keywords: Strategy, Scale-Up, MSMEs Business

INTRODUCTION

Starting a business is not a simple thing. Many Medium, Small, and Micro Enterprises (MSMEs) experience several problems when they decide to start building a business (Atho'illah & Yudha, 2022). Of the many problems faced, there is one main problem that is often a factor in the failure of a business. The answer is the product produced. Most business people use their assumptions to state that their product is the best. They claim that their product is the best and will sell. That's just what you think, what if people outside the potential buyers say the opposite? This is the mindset you need to change. There is a need to increase competency for human resources, especially for MSMEs in improving managerial, financial, and business legal management (de Nichilo, S., & Prahara, R. (2022).

The dynamics of industrial change, the industrial era 4.0, has influenced people's way of life, as well as organizations (Ramadhani, 2023). Rapid changes in the business environment require MSME leaders to have agility in managing their organizations. This is a requirement for organizations to be able to survive in the face of increasingly complex business competition. The leader's inability to manage the organization can result in products or services being disrupted, this is a result of the increasing number of competitors with alternative renewable technologies which are also developing rapidly in Industry 4.0. Good knowledge and understanding in making quick and correct decisions for leaders is an absolute requirement to be able to lead an organization to realize the vision that has been set. Lack of experts as resource persons to provide training to MSMEs. Thus, the presence of higher education institutions is urgently needed which can facilitate MSME players to provide knowledge transfer which can later contribute to developing superior human resources in Indonesia related to business management and business law.

REVIEW OF LITERATURE

Sugiyono (2011), "Dividing data analysis in research, based on the natural stages of qualitative research". According to Spradley, the stages of qualitative research are that the qualitative research process after entering the field begins with determining a key informant,

who is an authoritative informant who is trusted to be able to "open the door" for the researcher to enter the research object.

After that, the researchers interviewed the informant and recorded the results of the interview. Next, the researcher's attention is paid to the research object and begins by asking descriptive questions, followed by the analysis of the interview results.

According to Nasution (1998), qualitative research is a research procedure that produces descriptive data in the form of written or spoken words, from the people and behavior observed. In this research, efforts were made to collect as much descriptive data as possible which will be expressed in the form of reports and descriptions.

According to Sudarwati (2013), "MSME Products currently is synonymous with craft products which are more widely involved." New product development should be the center of attention for the company because its contribution is clear to the company's survival and prosperity. Apart from that, product development is closely related to a company's success in increasing its sales (Alkurni, 2014). During war, when soldiers want to go to war, they don't just carry a certain amount of ammunition to defeat their enemies. They must also be equipped with war tactics and strategies so that victory can be achieved (Safitri, 2011).

Formulating a strategic intent is one of the things that companies starting a new business must do, according to Darwin Silalahi, CEO of Booz Allen & Hamilton. Aspects included in strategic intent are the company's vision, mission, and goals. This formulation will have an impact on the company's financial planning.

Market globalization has implications for MSME players who have to compete in product marketing. The development of technology integrated with trade is moving so rapidly that it has given birth to the Industrial Revolution 4.0. The problem is that MSMEs still rely on conventional methods to run their business (Ariescy, 2021).

The introduction to MSME products given at the end of each session made participants more enthusiastic about introducing their product brands. Here they also share with the facilitator how to make their presentations more interesting. Here, participants also

discuss how to ensure that the creative content they create can be accepted by the public so that they are interested in buying. Even though the discussion is not part of the training material, it creates new ideas for further development of community service (Agustina et al., 2021; Armiani et al., 2022; Putri, 2022).

RESEARCH METHOD

This type of research uses descriptive qualitative research methods. Qualitative research is research that uses a scientific background, to interpret phenomena that occur, and is carried out by involving various existing methods. In qualitative research, the methods usually used are interviews, observations, and the use of documents. The concept analyzed in this research is the MSME Business Scale Up Strategy.

Data Collection Technique

The data collection method used by the authors interviews. An interview is a conversation with a specific purpose. The conversation is carried out by both parties, namely the interviewer, who asks questions, and the interviewee who provides answers to the statements. (Moleong, 2013). "Data analysis is a process that systematically searches and compiles data obtained from interviews by organizing the data into categories, describing it into units, carrying out consistency, arranging it into patterns, choosing what is important and what will be analyzed, and making conclusions so that easy to understand for yourself and others."

According to Santori & Komariah (2012), data analysis stages are required, namely: Data collection. Data collection is carried out using observation, interviews, and document review on the research subjects that will be studied by the authors. Data reduction, the data that has been obtained is then written in the form of a report or detailed data. The report is prepared based on the data obtained, summarized, the main things selected, and focused on the important things.

Data presentation (data display) The next step is to reduce the data or present the data.

Data presentation techniques in qualitative research can be done in the form of tables, and graphs, and data presentation can be done in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like. Display data to make it easier and understand what happened and also to plan further work based on what has been understood.

Conclusion and verification. Next is drawing conclusions and verification from what has been reduced previously. Verification is carried out throughout the research in line with triangulation to guarantee the significance or meaningfulness of the research results.

Data Analysis Techniques

Triangulation is a data validity checking technique that utilizes something other than the data for checking purposes or as a comparison to existing data. Moleong (2013) distinguishes four types of triangulation, namely utilizing sources, methods, and theories. The following is an explanation of the three types of triangulation above. The triangulation test carried out by the author is to obtain data through interviews with the four informants who have been determined, then the validity of the interview results will be tested using source triangulation techniques. The answers of the five informants obtained from the interviews will be compared with each other to test the consistency of the interview results obtained.

RESULTS AND DISCUSSION

Goals to be Achieved

The aim to be achieved in this writing is to provide guidance or become a guide for entrepreneurs in developing MSME businesses. The strategies for scaling up MSME businesses are as follows:

1. Inspired Stage (Idea Validation)

At this stage, business people have the desire to run, own, and develop an MSME business. This can start from frequently seeing the success of those who first learn how to

be successful in business.

Challenges in this stage:

- Basic knowledge of being a businessman (Financial, Marketing, F&B Operation, Leadership)
- Find business ideas that can penetrate the market
- Understand the details of the business model

2. Start Stage (Product Validation)

At this stage, business people have started trying and carrying out "tests" or validation of the products they have. Businesses that use vending machines can have greater capacity. From this idea, testing was done in 1 or 2 locations, and the results began to show what might succeed and what might fail and were proven directly by real customers.

At this stage, various operational set-ups and "business process" set-ups need to be carried out so that when the number of customers increases, the processes within them run smoothly so that they can be ready to accept the additional number of customers.

Challenges in this stage:

- Operational
- How to run the business (such as legality, taxes, etc.)
- Marketing (to get first-time customers and make them buy repeatedly and continue to increase the number of customers)

3. Scale Stage (Business Model Validation)

At this stage, customers have already returned, meaning the business model is already running. What else needs to be prepared and how to develop it so that there is not just 1 but there could be 5, it could even be 50, and so on.

Challenges in this stage:

- Executing the development business model
- Understand the consequences and prepare a development business model
- Strategic (the ability to make important decisions and have a big impact on the company)
- Leadership
- Supply Chain Management (increasing points, increasing in size, requires a strategy to manage supply to maintain business quality)
- Delegation

4. Sustainability Stage

The goal of business is "sustainability" meaning that the business can run continuously, there are growing profits, there are customers who come back, there are customers who recommend. New products and innovations continue to be launched to provide continuous solutions for customers. The organization continues to be developed because a sustainable business does not depend on just one person or a few people, but the organization can move and create innovation by itself.

Challenges in this stage:

- Team development
- Delegation and solid teamwork
- Leadership is key at this stage
- Innovation

Of course, the abilities and knowledge of not only yourself but also the team must be prepared in parallel. For example, if you want to scale up, you have to study it beforehand. Many things are integrated, so the more knowledge you have and broader insight, the faster and stronger your development plan will be.

CONCLUSION

Based on the results and discussion, this research concludes that for the MSME Business Scale-Up strategy, 4 strategies or stages are needed, including 1. Inspired Stage (Idea Validation), 2. Start Stage (Product Validation), 3. Scale Stage (Business Model validation). 4. Sustainability Stage. To successfully launch a product, you must fulfill the 4 things above, so that the business can continue to develop and be known and accepted by consumers. Therefore, the products produced continue to develop and become better known to the public. In winning business competition, continuous innovation is needed, to keep up with developments that occur, as well as the implementation of good management systems.

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