

MSMES Competitiveness Strategies During Covid 19 Pandemic Using Technopreneurship Approach

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Abstract

This study aims to identify and analyze strategies that MSMEs can apply to increase the competitiveness of superior products during the COVID-19 pandemic by taking a technopreneurship approach. The method used in this research is a qualitative case study ie, research that focuses intensively on one particular object studied as a case. The object of this research is MSMEs registered at the Departement of Cooperative and Micro Enterprises of Pasuruan Regency many as four MSMEs as samples. The results obtained from this study indicate a need for approaches and strategies that utilize technology to be more creative and innovative so that a business can survive and compete during this pandemic.

Keyword: Covid 19; MSMEs, Competitiveness; Technopreneurship

INTRODUCTION

The Covid 19 outbreak, better known as the coronavirus, is a pandemic that cannot be predicted when it will end after the world health organization, namely the World Health Organization (World Health Organization), established the status of covid 19 as a global pandemic since March 11 (Review, 2020). This pandemic has had a tremendous impact on the world economy. Almost all countries globally have experienced declining economic growth, including Indonesia, especially in terms of tourism, trade, and investment (Nasution et al., 2020). The spread of covid 19, which is increasing daily, requires the government to make policies that can break the chain of transmission of this virus. One of the government's strategies in suppressing the spread of COVID-19 is by establishing a Large-Scale Social Restriction (PSBB) policy as referred to in Government Regulation Number 21 of 2020, and all parties are asked to carry out social distancing, work from home and temporarily take teaching and learning activities off (Rosita, 2020).

However, the impact of this PSBB policy is felt directly by the community, especially MSME actors. As a result, many MSMEs experienced difficulties and almost went out of business because they were unprepared to face the policy. This unpreparedness is because MSMEs still rely on all traditional activities, so that when this policy is set, MSMEs do not have a strategy or solution to overcome it.

Based on data from the Central Statistics Agency (BPS), the growth of MSMEs in Indonesia since 2010 has experienced relatively rapid growth. In 2018 alone, it has reached 64.2 million business units, as shown in Figure 1.2. The contribution and role of MSMEs in national economic development are so significant and very crucial because it covers 99% of the number of business units in Indonesia (Azizah et al., 2020). In addition, MSMEs also contribute 97% of employment, so that the overall contribution of MSMEs to the national economy is 60%.

In some areas in Indonesia, Pasuruan Regency is one of the areas where MSMEs continue to experience a significant increase where the average annual increase gives rise to 2.000 new business units. In 2013 alone the number of micro business units in Pasuruan Regency was 238.434 business units, and in the following year increased to 241.150 business units. In 2015 the number also increased to 245.028 business units, and in 2016 it also increased to 249.683 new business units reported from the official website of the Pasuruan Regency Government. Since the leadership of the Regent, Irsyad Yusuf, with several of his programs, the MSME sector has been very concerned about creating superior products, The Pasuruan Regency Cooperatives and Micro Business Office has prepared 1 person in each sub-district to assist and facilitate each business actor. The hope is that the economy in Pasuruan Regency will increase every time.

Year	Numbe of MSME
2013	238.434
2014	241.150
2015	245.028
2016	249.683

Number of MSME Units in Pasuruan Regency

In several regions, including Pasuruan Regency, the current conditions are due to the impact of the COVID-19 pandemic, where the spread is relatively high. MSMEs experienced various problems such as decreased sales, capital, hampered distribution,

difficulty in raw materials, reduced production, and many layoffs for workers and laborers, which later became a threat to the national economy. MSMEs as drivers of the domestic economy and absorbers of labor are facing a decline in productivity, resulting in a significant decrease in profits.

In addition, the pandemic caused a decrease in people's purchasing power. This is because people must reduce outdoor interactions to suppress the spread of the virus. This situation requires business actors to be creative and continue to innovate in any way to remain competitive and survive in this condition. One strategy that can be done at this time is to take a technopreneurship approach. This approach is expected to create new designs and businesses based on digital technology.

The goal to be achieved from this research is to make treatment or new strategic efforts for MSMEs in Pasuruan Regency so that they have high competitiveness inside and outside Pasuruan amid the covid 19 pandemic.

The benefits that can be taken from this research are:

1. Results The research is expected to provide new strategic options in the development of technopreneurship among MSMEs.
2. The results of this study are expected to be used as a reference for future research in the context of efforts to increase product competitiveness in times of crisis.
3. This research can be used to consider the Pasuruan Regency Government in increasing MSME sales for economic growth among the community.

Research on the technopreneurship approach in MSMEs has been done before. The application of technopreneurship makes business processes faster and easier, wider market reach, increased sales through digital marketing, and innovations that strengthen competitiveness (Usaha & Menghadapi, n.d.). However, in this study, which was conducted during the COVID-19 pandemic, the researchers provided a new strategy that business actors could apply to remain competitive and survive by utilizing the latest technology. Researchers found several new strategies through a technopreneurship approach to MSMEs from the interviews and observations carried out by analyzing data. Later, MSMEs will implement several new techniques that have never been done before for development in both production and marketing.

Micro, Small and Medium Enterprises (MSMEs)

MSMEs are productive business units that stand alone, carried out by individuals or business entities in all economic sectors. The distinction between micro, small, medium, and large businesses are generally based on the initial asset value, excluding land and buildings, the average annual turnover, or the number of permanent workers (Aryansah, 2020). Government regulation number 7 of 2021 concerning the convenience, protection, and empowerment of cooperatives and micro, small and medium enterprises. The regulation changes several provisions that were previously regulated in law number 28 of 2008 concerning micro, small and medium enterprises. Based on the new regulation, MSMEs are grouped based on the criteria for working capital or annual sales results, as follows :

- Micro enterprises have a business capital of up to a maximum of 1 billion rupiah, excluding land and buildings for business premises.
- Small businesses have a business capital of more than 1 billion rupiah up to a maximum of 5 billion rupiah, excluding land and buildings for business premises.
- Medium businesses have a business capital of more than 5 billion rupiahs up to a maximum of 10 billion rupiahs excluding land and buildings for business premises.

In Indonesia, MSMEs have a significant contribution, such as expanding the absorption of labor and acting as a safety net for low-income people to carry out productive economic activities. However, with the COVID-19 pandemic, the MSME sector has been affected even more severely than expected. The business actors feel the decline in sales, lack of capital, and distribution delays.

Competitiveness

There is an effort that business/economic actors must make to continue to exist in carrying out their activities (Rosmadi, 2021). Competitiveness, especially when viewed in terms of products, must be owned by MSMEs because this competitiveness can bring MSMEs to survive in the intense competition in the business world.

The four dimensions of a company's competitiveness are as follows:

- a. Cost is a dimension of operating competitiveness that includes four indicators: production costs, labor productivity, use of production capacity, and inventories. The element of competitiveness, which consists of cost, is the total capital owned by a company which includes financing its production, productivity of its workforce, utilization of the company's production capacity, and the existence of

production reserves (inventory) which can be used at any time by the company to support the smooth running of the company.

- b. As intended by Muhardi, quality is a dimension of competitiveness that is also very important, including various indicators including product appearance, product acceptance period, product durability, speed of resolving consumer complaints, and product conformity to design specifications. Product appearance can be reflected in the design of the product or service, and a good product display has a simple design but has high value. The period of product acceptance is meant by the length of time the market can accept the product. The longer the age of the product in the market, the better the quality of the product. The economic life of the product can measure the durability of the product.
- c. Delivery time is a dimension of competitiveness that includes various indicators, including timeliness of production, reduction of production waiting time, and timeliness of product delivery.
- d. Flexibility is a dimension of operating competitiveness that includes various indicators, including the variety of products produced and the speed it adapts to environmental interests.

In the era of globalization, business competition is getting more challenging; business actors must respond to this by carrying out strategies that can support the sustainability of their business. In times of a pandemic like this, the competition for a market or trade is getting higher and higher. There are so many business people who make changes or implement innovations in their business. Innovations that are proliferating today are online businesses or promoting their products on social media such as Facebook, WhatsApp, Instagram, etc. This is because many business actors feel restless about declining their sales, especially for traditional market business actors. This pandemic raises several problems in MSMEs, but on the other hand, some opportunities arise.

Technopreneurship

Technopreneurship is a combination of two words, namely "technology" and "entrepreneurship." In general, the word technology is used to refer to the practical application of science to industry. At the same time, the word entrepreneurship comes from the word entrepreneur, who refers to someone who creates a business/business with

the courage to take risks to achieve profit and growth by identifying existing opportunities (Mayangky et al., 2019).

In simple terms, technopreneurship is an understanding of integrating entrepreneurship or "entrepreneurship" with technology (Hartono, 2011). This activity is a form of the impact of technological intervention on business activities and as a process of progress in supporting human life. The process in question involves using technological developments and new knowledge to become a form of innovation that can support human needs through the provision of creative/innovative products.

By the explanation above, technology can also be used for media or tools for doing business, with this technopreneurship also makes it easier for business people to run their business. Seeing the declining economy due to the current impact of covid 19, the technopreneurship method is very suitable to be used. Technopreneurs can be formed through 3 main components, including Intrapersonal, Interpersonal, and Extrapersonal.

One of the technologies that can be used to increase product competitiveness is utilizing online media such as social media, e-commerce and the web. With the use of these media only with the internet and good marketing skills, business actors can promote their products easily and cheaply. Social media can also reach potential consumers more broadly and quickly.

METHODS

The approach used in this research is a qualitative case study approach, namely analysis that focuses intensively on one particular object studied as a case. Case study data can be obtained from various sources (Jend et al., 2015). This research will later determine what MSMEs carried out new strategies during the COVID-19 pandemic to increase competition for superior products in Pasuruan Regency with a technopreneurship approach. The location of this research will be carried out in several MSMEs that have been registered at the Office of Cooperatives and Micro Enterprises of Pasuruan Regency. What is meant by research subjects are people, places, or objects observed in the context of making as targets? The issue of this research is the researcher. The thing of research is a set of elements that can be people, organizations, or goods under study. The object of this research is MSMEs which are superior products in Pasuruan Regency and have been registered with the Pasuruan Regency Cooperative and Micro Business Office. Connected to digital technology during the pandemic, all three have a maximum income of 300

million per year. So that in conducting this research, researchers will go directly to the field.

Data collection techniques carried out by researchers are in the following ways:

1. Observation, namely by making direct observations in several MSMEs in Pasuruan Regency.
2. Interview, namely by conducting interviews or questions and answers with business actors in Pasuruan Regency.

The data analysis technique used in this research is descriptive statistics. The data presented is more exciting and easy to understand and can give more meaning to the use of the data. There are several stages carried out, as follows:

1. Data collection, the data is obtained directly from the results of interviews and observations made.
2. Data reduction, namely analyzing and sorting out a large amount of data from the effects of previous collections to make it easier to conclude relevant to the study's final goal.
3. Data display or data presentation is the stage of systematically compiling a collection of data presented with narrative text or charts where later the data is arranged in an easy-to-understand relationship pattern.
4. Conclusion and verification aim to find meaning for the information that has been collected so that decisions can be drawn as answers to existing problems.

RESULTS AND DISCUSSION

In Indonesia, the development of COVID-19 cases is still showing an exponential increase. Seeing this situation, the government has officially implemented restrictions on community activities (PPKM) on an Emergency basis. The rapidly developing pandemic conditions and the emergence of new variants are why the government makes stricter and stricter policies. But in fact, the policy has many pros and cons among the public. Behind these problems and polemics, the MSME sector has the most impact. Not a few MSMEs experienced a drastic decrease in turnover, lack of capital, and hampered distribution. On the other hand, MSMEs are expected to be the driving wheel for economic recovery and absorb unemployment in Indonesia.

In times of a pandemic like this, the competition for a market or trade is getting higher and higher. There are so many business people who make changes or implement

innovations in their business. Seeing this impact, the problem that needs to be solved is to create new efforts to increase product competitiveness in Pasuruan Regency by taking a technopreneurship approach as one of the efforts that can be used. The technopreneurship approach utilizes technology as a medium or tool for doing business to make it easier for business actors to run their business.

Here are some aspects that are applied in the technopreneurship approach during the covid 19 pandemics:

1. Efficient

In business activities, efficiency is closely related to punctuality without having to incur high costs and is very important for MSMEs, especially in operations. Efficiency in business operations can be seen from 3 indicators: evaluation of ineffective activities, supply of own raw materials, and inventory management. This is done by MSME "Pia RB," which expands market reach by opening new branches, agents, resellers, and accepting online purchases so that inventory will not accumulate even though production continues. This can also minimize storage costs and avoid the risk of product damage. Provision of own raw materials can also be made to reduce production costs and reduce HPP to offer competitive prices. In addition, by providing your raw materials, you can ensure quality and avoid the risk of bottlenecks in the distribution of raw materials due to the pandemic, as has been done by the UMKM mushroom chips "Oyeye" which cultivates their raw materials so that production costs can be reduced and can offer affordable prices with guaranteed quality.

2. Creative

In today's era, creativity and innovation are very important in running a business. To survive and compete, MSMEs strive creatively in various aspects, namely in products, packaging, and promotions. Creativity in the development is related to the uniqueness of the product itself, both in taste, shape, and variant. Creativity in packaging is related to how the packaging can attract people's buying interest. This is done by MSME mushroom chips "Oyeye" providing attractive and practical packaging to carry everywhere. Meanwhile, creativity in marketing is related to the uniqueness of the efforts of business actors to penetrate new markets so that they can reach a broader market. This can be done by highlighting the attractiveness of the product either through advertising, actively participating in

exhibitions or bazaars, giving testers, and providing various consumer facilities such as members, purchase discounts, bundling packages, etc. As "Payaman" apple cider SMEs do, they give a tester to prospective buyers first, hoping that the flavors offered can attract buyers. MSMEs are also actively participating in exhibition activities as promotional media. In addition, the "Oyeye" mushroom chips SMEs also use a different way to reach a broader market, namely by utilizing social media. They use Instagram social media to find their potential buyers. They actively share exciting content, one of which is by holding giveaway activities. Through this activity, they can at the same time introduce their products further.

3. Health

The health aspect is an important thing that must be considered, both in product health and health in business operations during the pandemic. The indicators in this health aspect are vaccination, application of health protocols, and working hours to avoid crowds in the workplace. Strategies that can be used to ensure health in the place of business can be carried out by mandatory vaccination, establishing rules for wearing masks, and maintaining distance at work for employees. This is by what has been implemented by the "Payaman" apple cider SMEs and "Pia RB" SMEs which ensure that employees have been vaccinated, wear masks at work, maintain distance and enforce a division of labor system to avoid crowds that product health is maintained. The "Oyeye" mushroom chips MSME also supports product health by ensuring that production equipment is clean and hygienic. In addition, the rules for wearing masks in the workplace are also enforced.

4. Online

The online aspect relates to how an MSME utilizes online media in running its business. The utilization of online media can be done both for marketing and sales. With online marketing, MSMEs can reach a broader market and provide convenience for consumers to get a product, both introducing a product and receiving information about the product. An online marketing strategy can be done by utilizing online media such as social media, e-commerce, or the web.

While online sales are how business actors can provide facilities for consumers to conduct online transactions without having to face, during the pandemic, consumers tend to avoid purchasing products directly and prefer to

transact online. Therefore, online sales provide an opportunity for business actors to keep running their business despite this pandemic. This is done by the "Oyeye" mushroom chip SMEs who have an Instagram account and use e-commerce media, namely Shopee and Tokopedia, to expand their market reach so that they can sell products abroad. Business actors can also collaborate with several parties, such as becoming a gofood or grab food partner so that consumers can easily reach the products they want from home as implemented by the MSME "Bakpia RB," which can accept orders/purchases through gofood. Interviews and observations of the SMEs mentioned above show that the Technopreneurship approach can increase the competitiveness of the products featured in Pasuruan during a pandemic covid 19.

Based on these results, it can have a strategy that can be used to increase competitiveness in the pandemic period. The following method for increasing competitiveness is described as follows:

1. Evaluation of ineffective operational activities
2. Self-provision of production raw materials if possible to reduce raw material costs, ensure quality and avoid bottlenecks in the distribution of raw materials due to the pandemic.
3. Inventory management so that there is no accumulation of products. This can be done by expanding the market, such as opening branches, agents, resellers, etc.
4. Product design is as attractive as possible. Highlight what makes the product unique in terms of taste, quality, variant, shape, nutritional content, etc.
5. Practical and attractive packaging design. Packaging can protect the product from possible damage.
6. Creative in terms of promoting products such as advertising through social media, advertising according to trends in the market, being active in exhibitions or bazaars, and so on.
7. Highlight the attractiveness of the product in terms of health. Because during the pandemic, people tend to buy products that provide health benefits.
8. Ensure product cleanliness and hygiene.
9. We are maximizing the use of online media for product introduction through advertisements or endorsements.

10. Provide convenience for the public to access information on a product through social media accounts and the web.

11. They are providing convenience for consumers to buy products online from home through online media such as e-commerce.

CONCLUSIONS AND SUGGESTION

Based on the research that has been done, it can be concluded that the technopreneurship approach is the proper method to increase the competitiveness of superior products during the covid 19 pandemics. MSMEs are required to have the right strategy to survive and compete. These strategies include efficiency in management, creativity, product health, and maximizing the use of online media.

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