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Competitive Advantage Strategies for the Success of SMEs in the School of Entrepreneurship Bina Amanah Cordova

Richy Wijaya^{1*}, Ratna Darasih², Rowlan Takaya³ and M. Yudhi Lutfi⁴

^{1,2,3,4} Faculty of Economics and Business, Universitas Trisakti

*Corresponding Author: e-mail: richy.wijaya@trisakti.ac.id

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in Indonesia's economy. However, many MSME entrepreneurs lack sufficient understanding of competitive advantage strategies, making it difficult for them to sustain and grow their businesses. This study aims to provide training on competitive advantage strategies for MSME entrepreneurs at the Bina Amanah Cordova Entrepreneurship School (SKBAC). The training was conducted in collaboration with the Faculty of Economics and Business, Universitas Trisakti, through a community service program. The research method involved counseling, experience sharing, and interactive discussions. The results showed an increased awareness and understanding among MSME entrepreneurs regarding differentiation, leadership, and responsiveness. Participants demonstrated improved knowledge and a higher likelihood of implementing competitive advantage strategies in their businesses. This program highlights the importance of continuous education and mentoring to ensure the long-term success of MSMEs.

Keywords: Competitive Advantage, MSMEs, Differentiation, Cost Leadership, Responsiveness

ABSTRAK

Usaha Mikro, Kecil, dan Menengah (UMKM) memiliki peran penting dalam perekonomian Indonesia. Namun, banyak pelaku UMKM yang masih kurang memahami strategi keunggulan bersaing, sehingga sulit bagi pengusaha untuk bertahan dan berkembang. Studi ini bertujuan untuk memberikan pelatihan strategi keunggulan bersaing bagi pelaku UMKM di Sekolah Kewirausahaan Bina Amanah Cordova (SKBAC). Pelatihan ini dilaksanakan bekerja sama dengan Fakultas Ekonomi dan Bisnis Universitas Trisakti dalam program Pengabdian kepada Masyarakat. Metode penelitian yang digunakan meliputi penyuluhan, berbagi pengalaman, dan diskusi interaktif. Hasil penelitian menunjukkan peningkatan kesadaran dan pemahaman peserta mengenai diferensiasi, kepemimpinan, dan responsivitas. Peserta juga menunjukkan peningkatan pengetahuan dan kecenderungan yang lebih tinggi untuk menerapkan strategi keunggulan bersaing dalam usaha. Program ini menegaskan pentingnya pendidikan berkelanjutan dan pendampingan untuk memastikan keberhasilan UMKM dalam jangka panjang.

Kata Kunci: Keunggulan Bersaing, UMKM, Diferensiasi, Kepemimpinan Biaya, Responsivitas

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economy, contributing approximately 60.5% to the national Gross Domestic Product (GDP) and absorbing 96.9% of the workforce (Coordinating Ministry for Human Development and Culture, 2023). Despite their significant contribution, many MSMEs face challenges in maintaining competitiveness, particularly in terms of innovation and adaptability to market changes.

Recent studies have demonstrated that innovation and market orientation have a positive and significant impact on MSME competitive advantage (Sari & Suryani, 2021). However, many MSMEs still lack an adequate understanding of effective strategies to enhance their competitive position, particularly in the post-pandemic business landscape.

The COVID-19 pandemic has compelled numerous MSMEs to reevaluate and adjust their business strategies. Research by Sari (2023) underscores the importance of business strategy reformulation in enabling MSMEs to attain competitive advantage in the post-pandemic era. However, this study remains limited to specific sectors and has yet to explore a broader range of MSMEs across Indonesia.

Furthermore, the role of entrepreneurship education in enhancing MSME quality has gained increasing recognition. According to the Ministry of Education, Culture, Research, and Technology (2023), vocational education plays a crucial role in fostering new entrepreneurs in Indonesia. However, further research is required to determine how entrepreneurship education can effectively enhance MSME competitiveness.

The existing research gap lies in the lack of studies that integrate innovation, market orientation, and entrepreneurship education as key drivers of MSME competitive advantage. Prior research has largely examined these factors in isolation, failing to provide a comprehensive understanding of the most effective strategies for MSMEs.

This study aims to bridge this gap by examining the influence of an integrated approach combining innovation, market orientation, and entrepreneurship education on MSME competitiveness in Indonesia. By adopting a holistic approach, this research seeks to identify more effective strategies for enhancing MSME performance.

The significance of this study lies in its practical contribution, offering actionable recommendations for MSMEs to strengthen their competitive advantage through an integrated framework. Additionally, the findings will serve as a valuable reference for policymakers in designing more comprehensive MSME development programs.

The novelty of this research lies in its approach, which combines three crucial elements innovation, market orientation, and entrepreneurship education that have rarely been examined collectively within the Indonesian MSME context. Thus, this study is expected to provide a new perspective on MSME strategic development.

Moreover, this study considers the evolving post-pandemic market dynamics, which demand greater adaptability and innovation from MSMEs. By understanding the contemporary factors influencing competitive

advantage, MSMEs can formulate more relevant and effective business strategies.

In the long term, the findings of this research are expected to contribute to improving MSME performance, thereby strengthening the national economy. A more competitive MSME sector is anticipated to create broader employment opportunities and enhance overall societal welfare.

STAGES AND METHODS OF THE ACTIVITY

In this study, a field research approach was adopted to explore the competitive advantage strategies that contribute to the success of SMEs within the School of Entrepreneurship Bina Amanah Cordova. The research was conducted over a period:

No	Activity	Dates
1.	Survey	7 October 2024
2.	First Meeting: Determination of Activities	21 October 2024
3.	Coordination with the Material Provider	4 November 2024
4.	Module Creation	18 November 2024
5.	Module Collection	30 November 2024
6.	Extension Implementation	15 December 2024
7.	Finale Report	31 January 2025

Data was gathered from both primary and secondary sources. Primary data was collected through surveys, interviews, and observations of MSME entrepreneurs at the Bina Amanah Cordova Entrepreneurship School (SKBAC) involved in the entrepreneurship program. Secondary data was sourced from existing literature on competitive advantage strategies and MSME success, including academic articles and industry reports.

The general content of the activity is information and knowledge related to competitive advantage strategies. It focuses on how product providers (manufacturers or sellers) need to understand the products they offer and who their potential consumers and competitors are. An understanding of competitive advantage strategies is expected to help product providers in determining priority actions for their businesses. The material presented in this Community Service event is Competitive Advantage Strategies for the Success of SMEs.

The stages that have been carried out in delivering extension services on competitive advantage strategies are as follows: First, exploring how well business actors understand their products and who their consumers are, as well as the characteristics of these consumers. Second, presenting the theoretical aspects of effective competitive advantage strategies. Third, conducting discussions on the actions that business actors need to take in order to establish competitive advantage strategies that will meet consumer demands and succeed in the competition.

The data collection techniques included surveys and questionnaires, structured to gather information on the strategies used by SMEs in gaining a competitive edge. In addition, semi-structured interviews were conducted with a select group of SME leaders, and observational methods were employed

to better understand the operational dynamics and practices of SMEs. Ethical considerations were paramount, ensuring that all participants were fully informed about the study's purpose and provided consent to participate. Confidentiality was maintained throughout the research process.

Despite the rigorous approach, the study does have certain limitations. The sample size was restricted to SMEs within the Bina Amanah Cordova ecosystem, which may not fully represent the broader SME landscape. The data was analyzed using software tools like SPSS for quantitative analysis, ensuring accuracy and consistency in the results. Finally, measures to ensure the reliability and validity of the research, such as pilot testing the survey instruments and conducting multiple interviews, were implemented to enhance the robustness of the findings.

This methodology section outlines the research approach that aims to provide valuable insights into how competitive advantage strategies are employed by SMEs and their contribution to business success in an entrepreneurial setting.

DISCUSSION AND RESULT

This activity yielded several outcomes. For the participants, they gained valuable insights into Competitive Advantage Strategies, which enabled them to better understand the products they offer, the consumers they serve, and the competitors they face, ultimately giving them a competitive edge. For the community, the extension activity helped sustain institutional collaboration between the Faculty of Economics and Business (FEB) at Trisakti University and the School of Entrepreneurship Bina Amanah Cordova (SKBAC) of the Bina Amanah Institution.



Figure 1. Themes of Community Service Project

This collaboration strengthened ties with the local community, particularly with potential and existing SMEs who are students at SKBAC. Lastly, for the implementers, the team carried out the Community Service activity (PkM), which is part of the Tri Dharma of Higher Education. For the lecturers involved, the activity served as an educational tool, a platform for knowledge sharing, and an opportunity to understand the real conditions of prospective and existing business owners, particularly in the MSME sector. It aimed to empower student entrepreneurs with strategic insights and tools to

enhance their competitive advantage in the Micro, Small, and Medium Enterprise (MSME) sector.

The main objectives of the activity were to:

1. Provide practical knowledge and strategies on competitive advantage for student entrepreneurs;
2. Strengthen institutional collaboration between FEB Trisakti University and SKBAC;
3. Fulfill the academic obligation of lecturers in implementing community service;
4. Understand the real-world challenges faced by MSME practitioners to better align academic practices with community needs.

The activity was carried out through a series of interactive sessions, lectures, and case-based discussions focused on *Competitive Advantage Strategies*. Topics included market positioning, value proposition, consumer behavior, and business differentiation. These sessions encouraged participants to reflect on their current business practices and identify opportunities for sustainable growth.



Figure 2. Sharing Session about Competitive Advantage

The participants—comprising prospective and current MSME entrepreneurs enrolled in SKBAC—gained valuable knowledge on how to:

1. Better understand their products and services;
2. Analyze and serve their target customers more effectively;
3. Assess their competitors and develop distinct competitive positioning.

This knowledge is expected to enhance their ability to create value and build sustainable, competitive businesses.



Figure 3. Documentation of the event

On the activity of December 15, 2024, regarding Competitive Advantage Strategies, a questionnaire was distributed physically to 20 participants, with 8 questions. After the extension or training, the answers to the questions were as follows:

1. **I understand the meaning and categories of Micro, Small, and Medium Enterprises (MSMEs)**

Before the training, 50% of the participants stated they *Somewhat Agree* and 50% stated they *Agree*. After the training, 50% of the participants stated they *Agree* and 50% stated they *Strongly Agree*.

This indicates an improvement in understanding the meaning and categories of MSMEs. Participants who initially had limited or moderate understanding of MSMEs' meaning and categories now have a better understanding.

2. **I understand the meaning and benefits of Competitive Advantage Strategies**

Before the training, 50% of the participants stated they *Somewhat Agree*, and 50% stated they *Agree*. After the training, 10% of the participants stated they *Somewhat Agree*, 30% stated they *Agree*, and 60% stated they *Strongly Agree*.

This indicates an improvement in understanding the meaning and benefits of Competitive Advantage Strategies. Participants who initially had limited or moderate understanding of these strategies now understand them more clearly.

3. **I understand the meaning and benefits of Differentiation (Product Variety)**

Before the training, 60% of the participants stated they *Somewhat Agree*, and 40% stated they *Agree*. After the training, 20% of the participants stated they *Agree*, and 80% stated they *Strongly Agree*.

This shows an improvement in understanding the meaning and benefits of Differentiation (Product Variety). Participants who initially had limited or moderate understanding now have a deeper understanding.

4. **I understand the meaning and benefits of Low Cost**

Before the training, 70% of the participants stated they *Somewhat Agree*, 20% stated they *Agree*, and 10% stated they *Strongly Agree*. After the training, 50% of the participants stated they *Agree*, and 50% stated they *Strongly Agree*.

This indicates an improvement in understanding the meaning and benefits of Low Cost. Participants who initially had limited or moderate understanding now have a more comprehensive understanding.

5. **I understand the meaning and benefits of Response**

Before the training, 70% of the participants stated they *Somewhat Agree*, 20% stated they *Agree*, and 10% stated they *Strongly Agree*. After the training, 40% of the participants stated they *Agree*, and 60% stated they *Strongly Agree*.

This shows an improvement in understanding the meaning and benefits of Response. Participants who initially had limited or moderate understanding now have a clearer understanding.

6. **I understand the connection between Competitive Advantage Strategies and Consumer Profit and Satisfaction**

Before the training, 50% of the participants stated they *Somewhat Agree*, and 50% stated they *Agree*. After the training, 10% of the participants stated they *Agree*, and 90% stated they *Strongly Agree*.

This shows an improvement in understanding the connection between Competitive Advantage Strategies and Consumer Profit and Satisfaction. Participants who initially had limited or moderate understanding now understand this connection better.

7. **I will apply Competitive Advantage Strategies in my business**

Before the training, 50% of the participants stated they *Somewhat Agree*, and 50% stated they *Agree*. After the training, 30% of the participants stated they *Agree*, and 70% stated they *Strongly Agree*.

This indicates an increased awareness of applying Competitive Advantage Strategies in their businesses. Participants who initially had limited or moderate understanding of how to apply these strategies now have a clearer understanding.

8. **This training material is very useful**

All participants (100%) stated that the training provided, specifically on Competitive Advantage Strategies, is very beneficial for the sustainability of their businesses.

CONCLUSION

The extension was conducted smoothly and successfully. Participants were quite active and enthusiastic in asking and answering various questions and engaging in discussions. Some key conclusions from this extension are:

1. Many participants asked questions regarding Competitive Advantage Strategies, a topic that had not received much attention until now.
2. Several participants expressed difficulty in running their businesses during the pandemic and stated they require assistance,

as operating a business post-pandemic is also not an easy task. There is a need for both managerial and material support.

3. There is still a need for coordination and integration so that prospective and existing SMEs can share and collaborate with each other in running their businesses.

The extension should be continued with mentoring, especially to meet the needs of the SKBAC students who are prospective and existing business owners. This extension should also be conducted through continuous mentoring to monitor the progress of each business being run. This effort can be carried out by forming business groups. The following suggestions can be implemented:

1. Provide innovative and creative thinking to motivate participants to pay attention to Competitive Advantage Strategies.
2. Offer training on practical applications and case studies related to Competitive Advantage Strategies.
3. Organize and participate in meetings among SMEs, and develop networking opportunities

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