

## Research Article

# Corporate Entrepreneurship of SMEs and Business Management Strategies in the Digital Era

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Micro, small, and medium enterprises (MSMEs) play a strategic role in enhancing Indonesia's economy. MSMEs have demonstrated resilience in addressing economic crisis that impacted the Indonesian economy, leading to the bankruptcy of numerous large companies. Yogas Delima trading business and CV Alammu produce the herbal syrup, specifically the Parijoto syrup product, which stands out as a superior offering characteristic of Kudus city. However, the Department of Industry, Trade, Cooperatives, and SMEs in Kudus Regency has not extensively promoted these two herbal syrup beverage products. MSMEs encounter primary challenges such as a lack of guidance, organizational weaknesses, suboptimal guidance and management strategies, low human resources capacity, suboptimal raw material management suboptimal, and conventional marketing practices. The purpose of this service is to enhance the development of SMEs by increasing competitiveness and improving product quality through the application of information technology in E-Commerce and E-Business. Additionally, it addresses aspects of human resources, raw materials, management, and production improvements. The implementation method includes (1) the initial observation stage, (2) the needs analysis stage, (3) the training and mentoring stage, (4) the follow-up stage, and (5) the evaluation stage.

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## 1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) have very high survival power and are proven to overcome unemployment and play a role in the Indonesian economy. The entrepreneur has an entrepreneurially oriented frame of mind, more to go through uncertainty than avoid it. Companies face increasing uncertainty in their business decisions and are faced with competitive global market competition. Under such dynamic environmental conditions, organizational renewal activities and strategy renewal that can improve the company's ability to innovate, take risks, and compete effectively are

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essential to revitalize the organization [1]. Corporate Entrepreneurship allows a company to utilize its resources better [2].

Kudus is one of the areas that has a rapid regional acceleration. This cannot be separated from the geographical potential very close to the government of Pati Regency, Jepara Regency, and Grobogan Regency. Gusjigang itself has been firmly attached to the life of the Kudus people. This philosophy motivates the residents of Kudus to trade and do business. It is not surprising that in Kudus, the trade and SME sectors are the driving force of the economy and one of the backbones of the Kudus Regency's economy [3]. One of them is Syrup Yogas Delima Small and Medium Enterprises and CV Alammu, which processes Parijoto fruit into a product that is rich in benefits, especially for the health of the body. Parijoto fruit itself is a potential wealth of local wisdom because it only grows on the slopes of the Muria mountains.

There are several problems faced by SMEs of UD Yogas Delima Syrup and CV Alammu Sirup Parijoto, both technical and administrative problems, such as problems with raw materials, production processes, products, management, distribution, and marketing. Problems related to raw materials include limited supply of raw materials, scarcity of raw materials, affordability of raw material prices, inadequate quality control standards, and the absence of continuous production scheduling. Apart from that, guava raw materials are also seasonal. This suboptimal marketing problem is also a typical problem almost always experienced by MSMEs, including being simple and conventional; marketing reach is still limited in Kudus and around the northern coast, reach between islands or foreign countries is still not optimal and still uses third parties. Marketing is still conventional, using a consignment model, not yet following E-Commerce.

Many companies have succeeded in their attempts to do so and have developed new approaches to innovate, create new businesses, and achieve profitable growth. Change, innovation, and entrepreneurship describe what these successful companies do to compete [2]. Maintaining the continuity of the company with such a dynamic environment is a big challenge. Both organizations have grown and matured, especially when leaders are innovation-oriented and can respond to change. Strategic entrepreneurship is the second major category that shapes the approach to corporate entrepreneurship. While corporate ventures require companies to create new businesses, strategic entrepreneurship is more towards a broader range of entrepreneurial initiatives that do not require new business to be brought into the company. Strategic entrepreneurship involves sustainable opportunities-seeking and advantage-seeking behavior [4], in which innovation is the main focus because innovation can occur anywhere and anywhere in the company. Corporate entrepreneurship has become

a company need that cannot be avoided if a company wants to survive for an extended period. Not only small companies, medium companies, and large companies also need performance evaluations, new business launches, and continuous innovation processes for company growth and survival [5]. The skills of business actors as leaders in coordinating natural resources, facilities, and human resources to achieve goals in business can encourage the growth of corporate entrepreneurship. Constant attention to the market and customers through product development based on market needs is a factor that can influence the company's growth and innovation.

The emergence of digital entrepreneurship, driven by advances in information and communication technology [6], suggests that digital entrepreneurship is selling products or services via electronic networks. The digital economy has opened new avenues for entrepreneurs to enter e-commerce models and create innovative business areas [7]. Digital entrepreneurship arouses the interest of millennial businesspeople, especially those in higher education, to pursue digital entrepreneurship [8]. However, the digital entrepreneurship potential of millennial marketers certainly needs to be developed from various angles. The main parties are the government, universities, and industry. These three units must encourage the development of innovation.

## 2. Method

This community service activity consists of several stages, namely: (1) the initial observation stage, (2) the needs analysis stage, (3) the training and mentoring stage, (4) the follow-up stage, and (5) the evaluation stage [9]. Solving partner problems will be carried out in stages. Based on the problems in Partner 1 and Partner 2 SMEs, science and technology are implemented. Help establish partnerships with suppliers and procure production equipment needed to speed up the production process, production scheduling with the Just in Time method, and implementation of the Supply Chain Management method and technology transfer from conventional manual to the application of digitization technology.

Based on priority issues, the community service implementation team with partners agrees on a solution that will be implemented in community service activities through the following solution steps:

1. Raw materials (supply, quality, alternative sources): the partners have not yet found alternative raw materials that are easily affordable, so it is planned to: (a) The service team conducted a literature study regarding alternative raw materials; (b) Field observations, the team with partners explored herbal plants to collect potential

raw materials; (c) Forum Grup Discussion (FGD): the team with partners determines alternative raw materials that are suitable for product improvement, (d) Assistance: the team provides quality and hygienic production assistance.

2. Production (Equipment, Capacity, Process Control, Investment Value): assistance with the implementation of appropriate equipment to partners, as well as improving the quality of industrial herbal syrup production and hygienic processing procedures through the following activities: (a) The team and partners conducted FGDs as an effort to improve production quality, (b) as well as assist with procedures for processing hygienic herbal syrup production according to standards, (c) The team assists, procedures for using appropriate production equipment which is transferred to partners, (d) The team provides business management strategy assistance.

### 3. Result and Discussion

#### 3.1. FGD between Member and Partner of SME's

Community service activities are carried out through several stages, and the first is the team conducting FGD activities with partners, namely discussing priority issues and solutions offered for solving problems with partners, as well as compiling a schedule of team activities with partners (Figure 1).



**Figure 1:** FGD with The Partner of SME.

#### 3.2. Management and Corporate Entrepreneurship Assistance and Training

Activities include providing consultations and training on analyzing, planning, implementing, and supervising programs to increase sales and profits, providing knowledge to CV Alammu and Yogas of SME partners on how to set a good marketing strategy,

including how to determine the target market with a marketing mix strategy which is a combination of product variables, price structure, promotional activities, and distribution channel systems (Figure 2). These marketing mix variables can be used as a basis for taking a strategy to gain a very strategic position in the market.



**Figure 2:** Management and Corporate Entrepreneurship Training.

In addition, it also introduces partners regarding online marketing, namely the practice of utilizing web-based channels to introduce the brand, product, or service of Kudus batik products to their customers. Methods and techniques for online marketing include email, social media, display advertising, and search engine optimization. The goal is to reach potential customers through channels where they spend time reading, searching, shopping, or socializing online.

### **3.3. Raw Material Handling Training and Assistance and Production Quality Improvement**

Raw materials are materials or components needed and used to make an industry product. The material or component in question will appear on the product ready to be marketed. The selection of production components is essential. Directly, the quality of the materials used will affect the quality of the products produced by the company.

The selection must be careful, according to established quality standards, and properly controlled. Simply, the goal is that the company's production process can depart from the best essential ingredients to produce products that satisfy its customers. At CV Alammu, the raw material used is Parijoto fruit plants.

Parijoto fruit, which looks like grapes, comes from the Kudus area, Central Java, to be precise, in Mount Muria. This Parijoto fruit is a legacy from Sunan Muria and has the scientific name *Medinilla speciosa*. Apart from growing wild in highland areas (800-2,300 meters above sea level) and tropical rainforest areas such as Mount Muria, this fruit is also widely cultivated. Parijoto fruit is pink when it is still unripe and turns purple-black when it is ripe.



**Figure 3:** Training and Assistance Production Improving Quality in SME.

Parijoto fruit is known to have many benefits and properties that are good for the health of the body, significantly increasing fertility and maintaining the health of the fetus in the womb. Meanwhile, in Yogas Delima SMEs, the raw material used is ginger fruit. Ginger fruit contains many benefits; the essential ingredient of ginger is zingiberol, which functions as an anti-inflammatory and contains very high antioxidants [10]. There are many benefits to be gained from ginger, such as anti-inflammatory, prevention of skin problems, preventing cancer, boosting the immune system, cold medicine, help to lose weight, reducing nausea, reducing pain, detoxifying the body from toxins, and so on.

In this training and mentoring, they are taught how to manage raw materials so that overstock and understock do not occur, meaning that the management and storage of raw materials do not run optimally (Figure 3). Ensuring these two conditions do not occur will be suitable for the entire production system because there will be no additional costs to procure materials on a whim or replace damaged materials past their useful life.

In addition, it also ensures the quality of raw materials. Storing the necessary materials must also pay attention to the quality of these materials. Therefore, the quality control process is essential so every stored material can last according to predictions and production plans.

## 4. Conclusion

Corporate Entrepreneurship in SMSe is a process in which individuals within a company can explore opportunities without regard to existing resources in the organization with the support of a manager. In a competitive business situation, managers can unite parts of the organization's resources to provide solutions for a company's sustainability. Gathering resources and knowledge gives a transformed company birth to new business ideas.

Service activities for the SME industry for Parijoto and Ginger syrup companies in Kudus Regency have resolved problems, especially the problem of increasing the acceleration of production and management of raw materials, digital marketing, and business management strategies, and increasing marketing and increasing product marketing knowledge with digital marketing.

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