

MODEL DEVELOPMENT AND ENHANCING COMPETITIVENESS STRATEGY BASED BUSINESS ENTREPRENEUR IN MEDAN

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Abstract: *Entrepreneurship has an important role in improving the economy of a region, especially in North Sumatra and Medan in particular through the increase of the added value of the raw material into work in process and finished goods that is one area that can create jobs and improve the local economy in Medan - Indonesia. The purpose of this study was to find a model in developing small small entrepreneurship in Medan so competitive. By looking at medium and large businesses in the Chamber of Commerce and Industry (Kadin) North Sumatra, the researchers hope to get an overview of the development and improvement of competitiveness of entrepreneurs which results into the study materials in the development and improvement of the competitiveness of small and medium businesses. This study uses quantitative and qualitative approaches. The research sample to be tested in this study were 56 medium and large scale enterprises. Purposive sampling method random sampling used by the criteria of the respondents are large and medium businesses enrolled in the Chamber of Commerce of North Sumatra Province. The results show that there is the influence of entrepreneurship and implementation of the strategy on the competitiveness of businesses in the city of Medan. Entrepreneurship has a good understanding of entrepreneurship as it continued to participate in various training and access to information that is easily obtained. Entrepreneur also has a long-term strategy in the face of competition. Competition on a global level is an issue that requires large and medium enterprises to have strategies in running entrepreneurship. This study suggests to local governments to make policies to facilitate and ease permits and trying then to entrepreneurs should enhance the ability of human resources.*

Keywords: *Increasing Competitiveness, Entrepreneurship and Strategy.*

1. INTRODUCTION

Excavation potential entrepreneurs towards specialization in a region critical attention.entrepreneurial area is certainly very necessary to create a business climate in order to increase the added value of raw materials and to create jobs and increase local revenue. This of course makes the position of entrepreneurs is very important in realizing the development of regional economy and deceive the public. (Sulistiyastuti, 2004). Employers need to be built based entrepreneur entrepreneurial

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strategies in order to take risks in making a program for achieving the vision, mission and strategy that has been set with regard to financial management, marketing, business processes, and human resources and to build a standard operating procedure. So that through the efforts of these entrepreneurs can be competitive.

According Saiman (2014), to achieve high competitiveness an entrepreneur should be able to increase the power of innovation, creativity and productivity in order to compete both product and price. Understand that in making the design should be more varied. Patented product design in order to obtain greater economic value. Market products through community organizations and associations that are easily recognized by members of the organization. Offering products through public figure. Keeping customer satisfaction. Dalimunthe and Siregar (2015) states that to achieve the competitiveness of a business should take advantage of Internet technology through online promotional efforts, so that the industry could expand to other regions. Cooperative rattan furniture makers container should be able to initiate the government to pay attention to the rattan industry in Medan, in particular the policy on the use of rattan products for local governments, as well as the opening of market access through various exhibitions. In addition to enhancing the competitiveness of an entrepreneur should be able to achieve competitive advantage through five programs: The price or value, Customers will see products that have a competitive price and a good value. Please consumers, consumers really expect to get satisfactory service and good communication. Consumer experience, which either will make consumers tell relatives, whereas a bad experience will quickly spread. The necessity of recording, the need for registration of products mainly attributes of the product.

Asean Economic Community (AEC) 2015 as a form of cooperation in improving the economy of the nations in ASEAN can be a threat for entrepreneurs in Indonesia and would increase the reduction in the number of entrepreneurs, especially if not competitive.

2. RESEARCH METHOD

2.1 Research Type

This research is a quantitative and qualitative, quantitative methods with explanatory research approach which aims to analyze the influence of variables of entrepreneurship and strategy on the competitiveness of businesses.

2.2 Population and Sample

Population and sample of this research is the medium and large businesses that are in the organization Chamber of Commerce and Industry (Kadin) North Sumatra

purely business activities. The amount of sample to be tested in this study was 56 respondent. The informants include entrepreneurs who are members of chambers of commerce of North Sumatra, department of cooperatives and small and medium enterprises (SMEs), the Department of Trade, Association of export businessman, Indonesia Export Training Centres and universities.

2.3 Method of Collecting Data

Data will be collected by (1) The research questionnaire containing questions about the variables entrepreneurship, strategies used and business competitiveness and (2) In-depth interviews to refine the quantitative data.

2.4 Data Analysis

This study data analysis using Multiple Linear Regression, which analyzes the variables of entrepreneurship and strategy on the competitiveness of businesses.

3. RESEARCH RESULT

3.1 Data Description

A description of the respondents gender as follows :

Table 1
Gender Analysis

	<i>Frequency</i>	<i>Percent</i>
Male	46	82.1
Female	10	17.9
Total	56	100.0

Source : Tabulation Result (2016).

Based on the above table the majority of respondents surveyed are male by 46 respondents and the remaining female respondents by 10 respondents. Based on the age of the respondent's description as follows:

Table 2
Analysis by Age

	<i>Frequency</i>	<i>Percent</i>
21-30 Years	13	23.2
31-40 Years	21	37.5
> 40 Years	22	39.3
Total	56	100.0

Source : Tabulation Result (2016).

Based on the analysis of turnover/Month:

Table 3
Based on the Turnover Average/Month Analysis

	<i>Frequency</i>	<i>Percent</i>
0	15	26.8
1-2,5 billion	23	41.1
> 50 billion	18	32.1
Total	56	100.0

Source: Tabulation Result (2016).

Based on data it can be seen that the turnover derived by most respondents were in the 31 million-2.5 billion that as many as 23 respondents, more than 50 billion total of 18 respondents and as many as 15 respondents did not want to tell the turnover obtained. Based on the amount of labor respondents description as follows:

Table 4
Analysis Based on Total Workforce

	<i>Frequency</i>	<i>Percent</i>
< 5 person	14	25
6-50 person	28	50
> 50 person	14	25
Total	56	100.0

Source: Tabulation Result (2016).

Based on the above data it can be seen that the amount of labor that is most widely held 6-50 workers *i.e.* 28 respondents, less than five workers as much as 14 respondents, more than fifty people as many as 14 respondents. Based on the description of the respondents entrepreneurial variables as follows ;

Table 5
Based on Enterprise Dimension analysis

	<i>Frequency</i>	<i>Percent</i>
Poor	18	32.1
Middle	27	48.2
Good	11	19.6
Total	56	100.0

Source: Tabulation Result (2016).

Based on the above table it can be seen that the votes obtained Aspect Enterprise is greatest Quite as much as 27 respondents, sorted by as many as 18 respondents

(middle) and Good were 11 respondents. Based on the description of the strategic advantages of variable respondents as follows :

Table 6
Based on the Analysis of Strategic Advantage Aspect

	<i>Frequency</i>	<i>Percent</i>
Poor	25	44.6
Middle	7	12.5
Good	24	42.9
Total	56	100.0

Source : Tabulation Result (2016).

Based on the above table that the assessment of strategic advantages with the most recent category that 27 respondents as “Poor”, “Good” by 24 respondents and middle as seven respondents. Based on the description of the respondents competitive advantage as follows;

Table 7
Analysis Aspects of Competitive Advantage

	<i>Frequency</i>	<i>Percent</i>
Moderate	34	60.7
High	22	39.3
Total	56	100.0

Source: Tabulation Result (2016).

Based on the above table it can be seen that the respondents’ assessment of the competitive advantage is a higher Being that as many as 36 respondents and higher by 22 respondents:

Table 8
Determinat Analysis

Model	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.475 ^a	.226	.197	1.069

Source : SPSS Output Result (2016).

Based on the above table that the value of *R Square* at 0.475 or 47.5%. Therefore, it can be concluded that the studied variables can only describe the results of the study 47.5% and the remaining 52.5% can be explained by other variables not included in the study.

Table 9
Analysis Anova Test

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	18.298	2	9.149	8.010	.001 ^a
	Residual	62.823	55	1.142		
	Total	81.121	57			

Source : SPSS Output Result (2016).

Based on the above table that the Significance from the analysis of research of 0001. Therefore, it can be concluded that the study results are significant. This can be seen from the value of 0001 is smaller than the significance level of 0.005.

Tabel 10
Variables Influencing

<i>Model</i>		<i>t</i>	<i>Sig.</i>	<i>Collinearity Statistics</i>	
				<i>Tolerance</i>	<i>VIF</i>
1	(Constant)	2.651	.010		
	Entrepreneur	2.256	.028	.870	1.149
	Strategy	3.897	.000	.870	1.149

Source : SPSS Output Result (2016).

The results showed that the variables of entrepreneurship and strategy affect the competitiveness of businesses. Strategy variables is the most influential variable than the variable entrepreneurship.

QUALITATIVE RESULTS

The results of in-depth interviews indicate that the component kompetitif excellence in creating competitiveness of an entrepreneur in the long term (entrepreneurship strategy) views of human resource management excellence in which contains about entrepreneurship skills and business management capabilities. Then the cost advantage is influenced by the scale of effort and efficiency in production or technology. Another factor that strengthens the competitiveness of entrepreneurial skills is a factor determining the position of their products. As chairman of the association statement exporter of handicrafts in Indonesia following,

“Needs to be done by the employer to be able to survive and become an exporter, with a knowing capacity. Broadly speaking, the product category consists of several types. The products which can be exported product produced. The product design considered in order to compete. Besides entrepreneurs is also very necessary to follow the trainings for exporters such as those offered by the Training Center of Export “

Entrepreneurial skills to determine the position of the product and the willingness of some training can maintain a competitive advantage, making it

more resilient and able to become a competitor for other employers. In addition to internal factors external factors that strengthen the competitiveness of businesses predominantly influenced by government policy. Increasing competitiveness of business needs to get government support, the support of universities and improving product quality.

4. DISCUSSION

4.1 Effect of Entrepreneurial Business Competitiveness

The results showed that the variables of entrepreneurial business can have an effect on improving the competitiveness of businesses. Entrepreneurship skills of respondents classified as good, it is formed by the intense respondents get a good understanding of the various seminars or training in entrepreneurship. Thus strengthen entrepreneurial skills. In addition to entrepreneurial ability in training or seminar that respondents often have new experiences that enhance the quality of business that led to the improvement of business competitiveness. According Echdar (2013) entrepreneurship is not only inborn talent, or affairs of field experience. But it can also be learned and taught. Someone who has the talent *berwirausaha* can develop their talents through education and training. Those who become entrepreneurs are people who recognize the potential and learn to seize opportunities to develop and organize the business in realizing its goals. Therefore, to be a successful entrepreneur, is not enough to just have the talent, but also have knowledge about all aspects of the business to be engaged, among others, finance, production, marketing, and accounting.

Talent is an inborn trait that has driven someone to realize the ideals of magnitude. Developing their talents and honed by the environment. Dreams they move dynamically following the learning process. Through companies they manage, they train themselves to be ready to become a world-class entrepreneurs. That is, to become a successful entrepreneur, in addition to talent, the conditions conducive environment and opportunities to practice at different stages of a person's life that affect success in the future. Based upon the above it can be concluded that an entrepreneur can be created through education. An entrepreneur is a risk taker, both risks are financial (causing damage) as well as the risks that are mental (failing), but these risks are taken with the full calculation so that an entrepreneur can overcome obstacles to success are constant or balancing risk and reward to be earned, By doing these three things, one will become an entrepreneur. As well as research conducted Hornaday, JA, *et. al.*, (1983) that there are three traits that make a successful entrepreneur, namely (1) see challenges as positive and capable of learning from mistakes, (2) has a personal initiative strong, and (3) have the perseverance and determination.

4.2 Effect on Competitiveness of Business Strategy

The results showed that there was an effect on the competitiveness of entrepreneurial strategies in the city of Medan. This research is in line with research Hadriani (2011) has proved that there are several factors affecting the competitiveness of entrepreneurs in the city of Semarang, these factors include the capability of entrepreneurship and entrepreneurial strategies are applied. As well as research conducted Susanto (2013) which proves that the entrepreneurial skills and business strategy positive effect on the competitiveness of business entrepreneurs in Lampung. Their vision to improve the quality of products that originated from competition with other products demanding entrepreneurial prepare business strategy, coupled with unstable market conditions make the entrepreneur should develop other strategies to improve their business.

The condition is done by 41.4% of respondents. Strategy is an action plan that aligns resources and organizational commitment to achieve superior performance (Echdar, 2014). He also said that in the business of a business must have a competitive advantage where the business has a product or service that can be seen from its target market better than its competitors.

Other factors that strengthen entrepreneurial strategy is information obtained from the government about the challenges of MEA. Entrepreneurial understanding of the MEA which will lead to competition in the economic context in ASEAN countries make entrepreneurs motivated to compete with developing their business. The business development starts from the preparation of a comprehensive business strategy, competitive and collaborative. Entrepreneurial aware that MEA can be addressed by building collaboration among entrepreneurs in Indonesia, because that became competitors in the MEA had come from abroad, therefore cooperation between entrepreneurs into the strategy adopted by the respondent.

5. CONCLUSION

The results showed that the variables of entrepreneurship and strategy affect the competitiveness of business respondents. Variables strategy is the most influential variable than the variable entrepreneurship. Entrepreneurship skills of respondents formed because the intensity is excellent in enhancing their understanding through seminars or training in entrepreneurship as well as gain new experiences that enhance the quality of the business. Increasing competitiveness of entrepreneurs model need government support, support for higher education and improving the quality of products. The government should help entrepreneurs in strengthening business licensing, in addition to national networking mediate to strengthen the resilience of the business to collaborate on a national scale.

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