

The Agility, Adaptation, And Business Optimization, Normal Era For Entrepreneur In Indonesia

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Abstract.

The present study reports the first comprehensive study about agility, adaptation, and rebuilt the business in new era after covid-19 in Indonesia. Business resilience is very important to achieve the rise of Micro, Small and Medium Enterprises (MSMEs), because of their important role in the national economy. Most business organizations in Indonesia have experienced disruption caused by the covid-19 pandemic, not a few have ended up bankrupt and unable to survive. Businessmen as well as marketers need to manage marketing activities that are adaptive and flexible according to the potential of MSMEs through agile marketing. This research aims to formulate a framework for business revival during and after a crisis like covid-19. This research is expected to provide insights into effective marketing division procedures for business organizations in dealing with business disruptions. A qualitative descriptive approach was used in this study to obtain an overview of the situation experienced by SMEs. Data collection methods used by way of interviews, observation, and documentation, by using purposive sampling method in selecting research sources. Methods of source triangulation and technique triangulation were used in this study to ensure data validation. The data sources for this research are five MSME actors (owners). The results of this study indicate that agile, adaptation, optimization of company business and marketing can be used as solutions to deal with business disruptions in the new normal era. It is hoped in the future that MSMEs can restore their business conditions slowly and be able to revive after the pandemic.

Keywords: Adaptation, agility, business optimization, small medium business, and new era.

I. INTRODUCTION

The presence of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is very important for the economic stability of Indonesia in particular. MSMEs have the potential to increase state revenues and absorb productive workforce (Lantu et al, 2016). Data from the BPS and the Ministry of Cooperatives and SMEs (2012) found information that the contribution of MSMEs to GDP in 2013 reached 57.56% of the total national GDP with a total of 57.9 million business units or 99% of the total existing business units. In addition, MSMEs are also able to absorb 97% of the total workforce in Indonesia. Many businesses have been affected due to dramatic operational restrictions. Of course, the supply chain was disrupted and the volume of business activity was significantly reduced. MSMEs in Indonesia have their own role in important and strategic economic development (Sarfiyah, Atmaja, and Verawati, 2019). Its important role is seen in the ability of MSMEs to absorb labor thereby increasing people's income (LPPI and Bank Indonesia, 2015). According to the LPPI and Indonesian Central Bank (2015), at least the strategic role of MSMEs in the Indonesian economy is due to their position as major players in various sectors' economic activities, the largest job providers, important players in local economic development and community empowerment, and as a source of innovation. This is what motivates the government to strengthen the MSME pillar in building the economy so that it can run optimally and finally be able to alleviate poverty. During the economic crisis, MSMEs were proven to be able to get through the crisis so that they continued to increase from year to year (Sarfiyah et al, 2019).

Due to their flexibility in adapting to changes in the business environment, MSMEs are conciceness to be the most capable of surviving the economic crisis. It is just that, the reality that is happening now is that MSMEs in Indonesia are faced with unplanned changes in the situation due to the covid-19 pandemic. The Covid-19 pandemic has had a distinct impact on MSMEs in Indonesia. Many of them even find it difficult to survive until they experience bankruptcy. For the first time the world's people have united or been forced to accept the decision to comply with the restrictions imposed by governments and healthcare authorities to fight covid-19 (Ting, Ling, and Cheah, 2020). This then limits some operational activities in the business world. This major change is then referred to as business disruption. The pandemic (covid-19), which has brought major disruption to all aspects of life around the world, has had a profound impact on the business

and economic sector (Alao and Lukman, 2020; Charles, 2020). The business disruption caused by the covid-19 pandemic is radical and requires high flexibility for organizations to be able to achieve their business revival. Business strategies and activities need to be reconsidered (Ting, et al, 2020). According to (Kroger & Marx, 2020) agile business and marketing can be used by marketers as a solution to dealing with extreme changes in situations that force marketers to be able to adapt more quickly and be more flexible in managing our business activities and can do it spontaneously.

Agile business and marketing refer to the extent to which an entity quickly understands the market and implements marketing decisions to adapt to the market (Kalaiganam et al, 2021). This business disruption is also experienced by MSMEs in Indonesia in particular. In a survey conducted by the LPPI (2020), it showed that during the pandemic, 94.69% of businesses experienced a decline in sales. This covers at least several business scales, namely a decline in sales of more than 75% was experienced by 49.01% ultra-micro businesses, 43.3% micro businesses, 40% small businesses, and 45.83% medium businesses. Based on the length of business, the decline in sales of more than 75% was experienced by 23.27% of businesses aged 0-5 years, 10.9% of businesses aged 6-10 years and 8.84% of businesses that had been running for more than 10 years. Judging from the sales method, a decline in sales of more than 75% was experienced by 47.44% of offline/physical sales businesses, 40.17% of online sales businesses, and 39.41% of businesses using both offline and online sales methods (LPPI, 2020). In short, the Covid-19 pandemic has caused business profits to decrease significantly due to fixed or even increased production costs while sales have decreased. Even though several other cost aspects are still rolling, such as raw materials, transportation, labor, and other costs. If this continues to be experienced by MSMEs, they will not be able to survive.

II. METHODS

The research was conducted with a descriptive qualitative approach. In qualitative research, researchers involve systematic observations of a phenomenon and then collage it into a picture of a situation whose results are interpreted textually based on data generated from interviews, observations and or documentation (Kitto et al, 2008). According to Sandelowski in Seixas, Smith, and Mitton (2018), the basic characteristics of this descriptive qualitative approach are different from other qualitative studies, such as grounded theory, ethnography, phenomenology, and or narrative, because in descriptive qualitative researchers focus on the description of the process itself. In general, this qualitative research aims to explore the behavior, interaction processes, meanings, values, and experiences of individuals and groups that are deliberately sampled in their natural activities (Cooper, 2006; Kitto et al, 2008). Qualitative research is aimed at obtaining in-depth data regarding research objectives (Bungin, 2007:29), so with this descriptive qualitative approach, it is felt to be the right technique for answering research questions that are oriented towards who, what, and where about an experience or phenomena that have not been widely understood and obtained in-depth information from relevant informants (Kim, Sefcik, and Bradway, 2017). This research was conducted in Tangerang Indonesia by conducting interviews with MSME business or owners as research informants. The selection of informants was carried out using a purposive sampling technique in which the researcher determined certain criteria in order to obtain data in accordance with the research objectives. The activities observed by researchers were all business activities of MSME actors who were able to survive before, during the covid-19 and after covid-19.

Primary data obtained through the process of interviews and observation. In-depth interview techniques are carried out by researchers in order to be able to get a comprehensive picture of the phenomenon to be observed. To ensure the objectivity of this study, the researcher used the validity of the data which was carried out using the source triangulation method, namely by using two or more sources and asking them the same thing (Bungin, 2007) so to get statements from sources that lead to the same research objectives. This triangulation was carried out using a comprehensive approach to conducting research using various theories, data, and methods (Kitto et al, 2008). Triangulation techniques were also carried out by researchers using interview, observation, and documentation techniques. Observations on the activities of resource persons and documentation were carried out by researchers in order to enrich the data and sharpen the validity of this qualitative research. Qualitative research should be carried out with procedural rigor,

namely a transparent description of the research implementation. When researchers can exercise reflexivity in their qualitative research, that is open recognition of the complex influences among researchers, research topics and subjects about research results. In qualitative research it is also necessary to have transferability or relevance which refers to how useful the findings are in the context and phenomenon studied (Kitto et al, 2008).

III. RESULT AND DISCUSSION

This study obtained at least 20 informants, namely MSME actors or owners located in Tangerang, Jakarta Indonesia and its surroundings who met the sampling criteria by purposive sampling. The researcher conducted interviews, observations, and documentation on the business and gave the same questions to each informant to ensure the level of validity of the data. The results of data processing from the following list are the research informants.

Business Size	Criteria	
	Asset	Turn over
Micro Business	Maximum IDR 50 million	Maximum IDR 300 million
Small Business	>IDR 50 million to 500 million	>IDR 300 million to 2,5 billion
Medium Business	>IDR 500 million to 10 billion	>IDR 2,5 billion to 50 billion
Large Business	>IDR10 billion	>IDR 50 billion

Fig 1.Criteria for MSMEs and Large Enterprises Based on Assets and Turnover

The Adaptation of Changing Work Patterns Amidst to Business Disruption

The situation that suddenly changed due to complying with the restrictions imposed by the government and health service authorities to combat COVID-19 forced almost all MSMEs to adjustments to their work patterns. Immediate regional prevalence and response to COVID-19 determines the likelihood of disruption to business operations (e.g., mandatory shutdowns, temporary closures, employee absences, remote work shifts, etc.)

"Because there were very few buyers, we had time to take the employees off." (A)

"I did a temporary closure because at the beginning of the pandemic there were very few visitors. Many consumers are afraid to leave the house." (G)

"It was very early in the pandemic, our business did have employees laid off because we, as owners, were also afraid at the start." (B)

MSMEs are required to be able to adapt quickly and responsively.

"I ended up doing this pattern of work as efficiently as possible so it wouldn't be an unnecessary expense."(F)

"Work From Home really drains my energy as an owner to find the most appropriate and efficient way of coordinating because I have never had experience like this before." (E)

"Now, it is difficult to see a pattern of maintaining a business at the start of the pandemic. Moreover, many public transportations are closed and our main products are tourist souvenirs." (S)

Furthermore, business patterns that are usually in accordance with conventional value chains are forced to be able to adapt digitally. MSME actors carry out the process of perfecting products that are suitable for the pandemic. The need for product innovation and marketing system innovation should also be designed with an agile development model in which teams who are in their business cycle are repeatedly asked to observe patterns of changes that can change at any time due to the covid-19 pandemic. Thus, the team which is the company's main resource should indeed be invited to find solutions together for the progress of their business.

"After 3 (tree) months of the pandemic running, I invite employees to sit down together to think about effective solutions for the continuity of this business."(J)

"Finally, I made changes to our work pattern." (C)

"We even made a new product that we feel is suitable for the pandemic, namely a fashionable negligee for online meetings."(D)

"It was precisely from this employee that the product innovation idea emerged and this frozen food was born."(K)

Adaptation, Utilization, and Optimization of Potential Internal Resources

Changes in the way customers shop, accompanied by an explosion of customer touchpoints and competitive fast-changing technological dynamics, have led to an increased emphasis on agile marketing (Kalaignanam et al, 2021). Therefore, online marketing patterns are felt to be more appropriate as a marketing solution.

"Finally, my kiosk closed and I focused on developing frozen food products which I marketed using an online system." (G)

"My team and I created an online training program that we managed professionally and collaborated with several partner companies. Yes, this is because this hotel does not work at all." (C)

"I made this negligee and I sold it via social media." (A)

"I've been selling online since the beginning, but I think this pandemic requires more online marketing and selling activities." (E)

To carry out efficiency, MSMEs also need to review the utilization of resources and optimize the internal resources they have.

"Incidentally, my team has experts in IT and camera handling. So, the idea of organizing this online seminar was born." (J)

"I have swerved into the culinary business. I do this by utilizing the empty land in the parking lot of my souvenir shop. I opened an angkringan in collaboration with residents and took advantage of the employees I had. At least this business can retain my employees and I have not fired them yet." (B)

Respond to Changing of Market Needs

This radical change in work patterns and activity patterns may change the needs of our business target market. Many people work remotely (Lewnes, 2021) resulting in changing needs as well.

"In the past, people came to our kiosk during lunch time, now they don't do it because they just stay at home with their work activities." (B)

"My business, which is a hotel, is also very empty of visitors because more people are at home and are not traveling on business or on vacation."(J)

Therefore, there is a need for action that is responsive to the changing needs of the target market in which our business has been operating. Therefore, we need to re-examine the needs of our target market and modify our products or services according to their needs. MSMEs need to take steps to manage the important risks of the spread of covid-19 to regain customer trust (Alao and Lukman, 2020).

Agile in Business and Marketing

The extreme changes that have occurred due to the Covid-19 pandemic are forcing us to make quick changes including our marketing strategy, so agile marketing is one of the solutions that we as marketers can do. Agile marketing forces us to be able to be faster and more flexible in managing our business activities and to be able to do it spontaneously (Kröger & Marx, 2020). Agile marketing refers to the extent to which an entity quickly understands the market and implements marketing decisions to adapt to the market (Kalaignanam et al, 2021). Agile in business and marketing is how we carry out management that can be applied to companies in situations of rapid and unpredictable change, especially the marketing department to then be organized in such a way as to be most suitable for change and prepare for an unpredictable future (Kröger & Marx, 2020). For a business, marketing (marketing) is one of the most important aspects to maintain their business.

The right business and marketing strategy, a business will be able to attract and persuade their potential customers to make a purchase transaction or at least be aware of the products we offer. In a pandemic situation like today, our agility in designing important marketing strategies is one of the focuses of managing this extreme change. It is not easy and requires a high power of innovation. A marketer really has to carry out integration by fully and efficiently utilizing existing business potential. This can also cover

several other integrated aspects, namely innovation, organizational structure, marketing strategy, tactics, and their activities and cross-functional issues (Kröger & Marx, 2020 ; Ting, Ling, & Cheah, 2020).

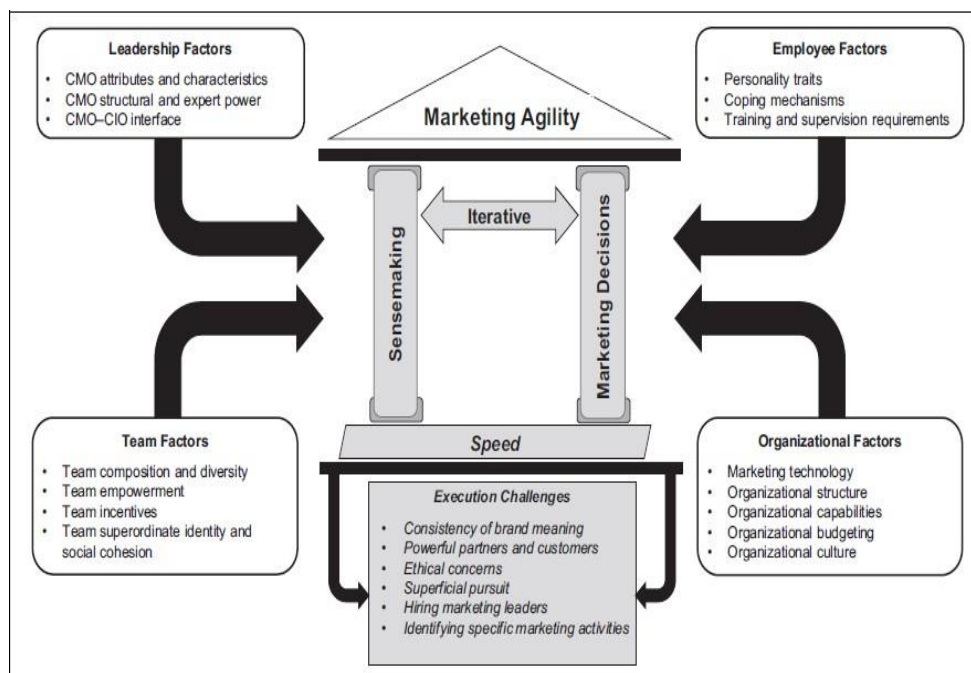


Fig 2. *Agile in Business Marketing, Kalaignanam et. al. (2021)*

Agile and Business Adaptation to Achieve Entrepreneurial Revival

Social distancing has created a major shift in behavior trends (Kalaignanam et al, 2021). Fear of the deadly virus and the spread of news, be it factual or fake, has resulted in mental distress, panic buying, compulsive hoarding, and other abnormal behavior (Lewnes, 2021). Changes in behavior such as not shaking hands, wearing face masks, online teaching, washing hands regularly, the number of people congregating in restricted areas, food handling, travel bans, and only the head or one member of a family being allowed out are the ones that have significantly changed MSME business patterns. Business and marketing adaptation are felt to have an important role in achieving the revival of MSMEs after the Covid-19 pandemic.

The ability to innovate in today's marketing depends on the ability of marketing organizations to move quickly enough to keep pace with consumers' rapidly changing expectations (Lewnes, 2021). This business disruption is indeed a big challenge for marketers. Many consumers have shifted (or have shifted) their focus and the way they live and work to better manage themselves, and their priorities (Alao and Lukman, 2020). In its development, there are indeed some common obstacles that are often experienced by most MSMEs in Indonesia. Lantu et al (2016) considers that both internally and externally there are still many MSMEs experienced so that they are considered not yet highly competitive to encourage economic growth and people's income. LPPI and Indonesian Central Bank (2015) in their survey identified that at least the MSME business constraints are internal and external. Business constraints on internal factors, namely aspects of capital, human resources, law and accountability. Business constraints on external factors, namely the business climate, infrastructure, and access.

Business Disruption Due to the Covid-19 Pandemic

The Covid-19 pandemic has brought major changes to all aspects of human life around the world. This sudden change brought major business disruption around the world (Alao and Lukman, 2020). Many business operations are restricted so that the business supply chain in general is disrupted. If this continues to happen, it will have a significant impact on the economic sector, which can lead to a crisis. Disruptive has more negative meanings because it is disruptive, disruptive, or changes an existing order pattern and is even stable in use. However, as a businessman, of course this disruptive situation needs to be understood as a situation that needs to find a solution. This business disruption refers to processes that radically change in the business chain that forces an industry to change the way they work and operate adaptively and flexibly according to changing circumstances.

In research conducted by (Meyer, Prescott, and Sheng, 2021) explained that business disruptions experienced by these business people were in the form of supply and demand shocks which impacted the company's operating processes, sales activities, and the supply chain. Repeat the conclusions from (Alao and Lukman, 2020) recommend that business people review their business management in order to operate efficiently and prioritize in order to survive in this business disruption situation. Business resilience is needed in preparation for the new normal and sustainability.

IV. CONCLUSION

This extreme business disruption resulted in many business operations being restricted so that the business supply chain in general was disrupted. Therefore, entrepreneurs need to find a solution to this situation. The uncertainty of the situation due to the Covid-19 pandemic is indeed very impactful for economy, especially for SMEs. Agile business and marketing are one of the solutions to be able to adaptation, optimization, and rise also survive in the aftermath of covid-19. This is in line with the results of research conducted by (Lewnes, 2021) and (Kalaignanam et. al., 2021) which can be effectively used in business interruption situations (Alao and Gbolagade, 2020). In this agile and adaptation concept, a leader has a crucial factor in terms of speed and accuracy in decision making. Leaders are also required to be adaptive and responsive. Team (HR) is also a factor that supports leaders to find effective ways and the best ways to set the right marketing strategy. The flexibility of organizational resources is also the key to the success of implementing agile marketing, namely by looking back at several aspects as follows: changes in work patterns, utilization of internal potential, changes in target market needs, and changes in promotional media.

This high level of adaptation can direct MSMEs towards the revival and resilience of their business after covid-19. It is hoped that the benefits of this research can be felt directly by MSME players who are experiencing the struggles of the crisis due to covid-19 also in adaptation with new normal era. The effective procedures resulting from this research can have an impact on the business and marketing decision to be able to achieve increased performance of company, so that this business organization can survive and even revive. For the world of education, the results can be used as material for initial consideration in compiling strategic plans for business actors in a comprehensive manner later. This research only focuses on looking at the company's internal position in the context of dealing with disruptive business disruptions. This is done by ignoring the possibility of other factors that influence buyers in shopping. The Covid-19 pandemic situation also has an impact on consumers' purchasing power which logically can also affect consumers' purchasing power in MSME products. Suggestions for future research is to look at aspects of consumer influence in the process of applying agile business and marketing in the future market.

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