

ANALYSIS OF INNOVATION IN BUSINESS MODEL DEVELOPMENT AFFECTING THE ECONOMIC GROWTH OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) IN LOMBANG VILLAGE

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Abstract

In the business world that continues to developing, development strategy business No only about survive, but also about innovate and continue forward. Presence business is expected No only notice profit, but also provide benefit sustainable to be enjoyed in the future. Research This aiming for analyze more in to influence innovation development of village MSMEs business models the race, and can inspire and provide education to the people of Lombang village so that they are motivated to run a business with various innovations that are currently the latest. Research this is analyzed with method qualitative. In research qualitative, study library must used in a way consistent with assumptions methodological. Data collection techniques or information on research This use questionnaire. Form question use questionnaire open, namely questionnaire that provides freedom to Respondent For answer questions. Information on research This is perpetrator business micro, small, and medium enterprises (MSMEs) in villages race totaling 3 people. Retrieval technique sample using simple random sampling or sample random simple, namely choose random from a bunch individuals who have same probability. The results of the study show that innovation business model development is very influential to growth village MSMEs economy village community race grow creative create product with attractive packaging. Thanks to village MSME the race that is advancing make growth economy village So the more progress. Keep growing with innovation without stop, through implementation technology, business models, and approaches new communication. Therefore that's important for every organization for consider utilization communication electronic Internet based use increase Power competition business them. In addition, it is also necessary to manage possible risks arise, such as aspect security and performance of MSMEs.

Keywords : Innovation, Business Model, MSMEs Growth

Introduction

1. Background

Village of Lombang is an area located in the sub-district juntinyuat , district Indramayu . Based on the Statistics Agency Indramayu 2023 population village race around 7568. (Kholil, et al. 2024). Lombang Village have potential business in field agriculture, fishing, and trade. For realize advanced village in growth economy, society village race must own innovation for develop talent his efforts so as not to left behind from village others. Al Aidhi, et al. (2023). Explains that innovation development business is very influential in move growth economy and create field Work as well as increase Power competition a country in the global market . In the context of Indonesia, innovation own role important in respond various challenges faced in advance economy. In order to reach Indonesia's vision as a developed country in 2045 innovation considered as one of the key main.

Irawan, E. (2023). Explaining that Micro, Small and Medium Enterprises (MSMEs) need to own good understanding to technology as well as capable take benefit from chance This For increase closing sales. Ginting, et al. (2024). Said that the term " digital economy " is used For describe how the internet, digital technology, or technology information and communication (ICT) influences economy. All technology This together has create something called as " economy new ", economy new define and describe landscape industry. This will Keep going become booster dominant economy until millennium new. Like Business Model technology namely E-Business and E-Commerce. Business electronic (e-business) is defined as internet usage to in a networks and enable business processes, electronically trade, communication organization and collaboration in a company, as well as relate with customers, suppliers and stakeholders interest others. Business Electronics also use the internet, intranets, extranets,

and other networks. other for support business processes. Trading electronics (e-commerce), more narrow than digital business. And defined as purchase and sale via the Internet.

Based on a quote from Nurpratama, et al. (2024). The era of social media has changed the way communication and economic activities occur in all corners of the world. Social media such as Facebook, Twitter, and Instagram help encourage companies to develop their online presence. Adapting to the digital era. Information from institutions according to data from the Statistics Center, the percentage is 62.10% of Indonesians have used the internet. In 2021, it shows increasingly wide media penetration. Buying and selling transactions that modify the process. Companies interact with customers and reach market targets and open up wider opportunities in the market.

According to study previous Somadi (2023). Says that village the lake located in the Juntinyuat area is village develo , pattern leadership head village required existence new thinking For change village From the research somadi , writer aiming For give matter new about development village race moment This. Then push writer For do study with take title “ Analysis Innovation in Business Model Development Affects the Economic Growth of Micro, Small and Medium Enterprises in Lombang Village”. So that through this research, it can inspire and provide education to the people of Lombang Village so that they are motivated to run businesses with various innovations that are currently the latest. And can useful as useful and accessible references become material further study deep for researchers other.

2. Formulation of the problem

2.1 What is Innovation development? business can influential for growth of MSMEs?

2.2 Difficulty what 's blocking MSMEs actors in Development business ?

2.3 What just method For overcome difficulties at the time doing business ?

Methods

Information on research This is perpetrator business micro, small, and intermediate or MSMEs in the village Lombok Technique of taking sample using simple random sampling or sample random simple, namely choose random from a bunch individuals who have equal probability. Data collection or information on research This use questionnaire, namely method data collection carried out with provide a list of questions written to respondents. Respondents in the study This totaling 3 people. Form question use questionnaire open, namely questionnaire that provides freedom to Respondent For answer Questions. Writing method article work scientific This is with method qualitative. In research qualitative, study library must used in a way consistent with assumptions methodological. It means must used in a way inductive so that no direct question questions asked by researchers. One of the reason main For do study qualitative that is that study the nature exploratory (Agung & Yuesti , 2019)

Results and Discussions

1. Existing Condition of MSMEs in Lombang Village Give Affecting for Economic Growth of Lombang Village

Village of Lombang moment This own a number of MSMEs actors. However researcher will give Portrait of 2 successful and well-known MSMEs market the product in various modern market souvenir shops. First product mochips, which is owned Mother saroh. Products mochips is product artificial self made with traditional and packaged taste image with packaging interesting. Once in a while, he evaluate form packaging the product. Three type food dry for sale by owner Mochips : rengginang, brownie chips, and snacks spicy .



Source: Lulu. (2024, April 1)

Figure 1.1 Product Mochips with Modern Packaging

Second, the product pindang the race (Bang Pilo) is product artificial made by myself from cooked fish ingredients with various type spice typical from village race That alone. Around 500 families

from population the hang up his life in industry homely making pindang. Without training or progress technology manufacturing pindang This done in a way down hereditary from generation to generation. Among the 500 perpetrators business industry homely There is a group of young people who realize importance management good effort and support technology for increase production and quality product the pindang they made. It will allow they for increase scale his efforts and improve his income for increase welfare family they. (Kholil, et al. 2024). The following picture product from pindang packaged lobang with attractive packaging.



Source: Kholil, et al. (2024)

Figure 1.2 Products Pindang Wave with Modern Packaging

From the picture the We Can see from 2 MSMEs This use innovation that leverages business models E-Commerce technology or service trading electronic as well as use design packaging follow current market developments. With using eye-catching packaging ideas or Attractive packaging, so these MSMEs actors succeed penetrate the modern market. As a result second product the Already famous both domestically and internationally abroad. The benefits of both MSMEs are very effective to growth economy village the race and already make change for village the former valley it is said as the village that is still developing, but Now Already acknowledged as advanced village in growth economy. So it can We Look that innovation can influence growth economy as well as can also open field work.

2. Statement Results Respondents To Innovation Development of Business Models for Each MSMEs in Lombang Village

From the Questionnaire This Researcher take sample random consisting of 3 MSMEs actors from village lombang. One of them is the Owner of Mochips, namely Mrs. Saroh. The Owner of Mango fruit is Mr warjono . And Owner Grocery store owner that is Mr Saoni. Of the 3 MSMEs actors researcher will compare about How method they doing business. As comparison, Here Questionnaire in the form of questions that researchers ask submit and also answer from respondents.

Table 1 Questions and Answers Lombang Village MSME Questionnaire

NO .	QUESTION	RESPONDENTS' ANSWERS		
		Mrs. Saroh (26 Years)	Mr. Saoni (35 Years)	Mr. Warjono (33 Years)
1	Product what is for sale ?	Brownies chips, rengginang shrimp paste, snack spicy	Basic necessities	Fruit mango
2	Already how long, Business This walk ?	4 years	6 years	1 years
3	Explain whether from government support business You ?	Support	Yes	yes, support
4	Explain Innovation What For develop your business model run now, so that Lots liked consumers ?	eye-catching packaging	Price relatively cheap	Guard Quality

5	Explain is it at the time doing business, you using business models with utilise technology for marketing strategy ?	Yes	No	No
6	Explain application service trading what is used For market product you , are you Facebook , Shoppie , Instagram, TikTok, etc. ?	Facebook, Shoppie , Instagram	No	No
7	Explain difficulty what is faced during You doing business ?	Looking for buyers for expansion marketing	Capital	Difficulty at the time season Rain
8	How method overcome difficulty you at the moment doing business ?	By hiring manpower Work in the field marketing	Always Study more Good in process sale	Don't know
9	Explain whether There is comparison before doing business and after doing business For growth economy You ?	There is, after doing business economy family So get better	There is Alhamdulillah in finance Far more Good after doing business	There is growth economy after doing business
10	What are the tips for success? doing business for businesses beginner please give any suggestions ?	consistent promotion	Be patient and always try Study	Patient and Trustworthy

From the table said, explaining that There is Miscellaneous innovation with different business models. Among them that is designing eye- catching packaging, quality must still awake, give attractive price, and marketing with use service online trading including facebook , instagram , tiktok , and shoppie. But unfortunately from third MSMEs actors who use service online trading only 1 person, 2 others Not yet utilize. Researchers suggests having a marketing strategy that takes advantage of service online trading such as facebook , instagram , tiktok , shoppie , etc. In order to be able to make it easier expansion capable sales interesting consumers.

3. How to Overcome Difficulties Faced by MSMEs in Lombang Village

From the statement above, the difficulty business challenges faced by MSMEs actors in villages race There are 3 things discussed, namely looking for buyers for expansion marketing, lack of business capital, and Change climate. Based on study Wongsansukcharoen & Thaweepaiboonwong. (2023). Says that MSMEs will face several challenges in human resource development such as innovation and adaptation of technology, access to financing, market competitiveness, infrastructure, and the legal and regulatory environment that affect their performance. To overcome these difficulties, there are several ways that MSMEs must do. First, the difficulty in finding buyers is due to a lack of effective communication, lack of understanding of potential markets, and lack of knowledge about local business regulations. To overcome these difficulties, namely by opening an online store in a global marketplace such as Amazon & eBay which can help reach customers worldwide. As stated by Ginting, et al. (2024). That. This business-to-consumer (B2C) sector has attracted the highest number of visitors. For example, there are some of the most successful e-business ventures such as Amazon.com, e-Bay and Friends Reunited.

Second, lack of capital can cause various problems in business such as difficulty developing products or services, disruption of daily operations, and limited marketing efforts. To overcome this, namely by seeking business capital funding from official financial institutions, submitting cooperation proposals with investors or business partners, setting aside part of the business profits to be saved as reserve capital, and must increase the efficiency and productivity of your business. As Hanafi, M.M (2021) said. That in running a business, capital is a necessary thing. Banks or community savings can determine capital. The greater the savings owned by the community, the more it will encourage the expected economic growth. Third, Change climate can impact negative on the sector agriculture, such as disturbance growth plants, improvement risk pest disease, and failure harvest. For that, farmer need adapt

with changing conditions in order to be able to guard resilience and sustainability agriculture. Based on study from Triani & Ariffin (2019). Says that the agricultural sector is one of sector important in face impact change climate, especially floods, droughts, and attack pests. uncertainty frequency, intensity rain and drought potential make it difficult farmer in choose plants, arrange pattern planting, and at risk fail harvest Because water imbalance and attacks possible pests occurs. Therefore, it is necessary various method adaptation For face changes that will be come. Decision about adaptation taken by individuals, groups in society, organizations, and government.

From research somadi, i do study again in the village There is something new that shows that the village of Lombang is advanced village in matter economy, such as village MSMEs successful competition translucent to the modern market and succeed sell the product until outside country, and succeed open field work for society village From the majority of its people Work as farmers, traders, and some Again Work as fishermen. Nothing else but Because blessing public the contest and the officials the village that has produce change This. Based on Research by Irawan, E. (2023). Explaining that MSMEs have role important in rate Indonesian economy, especially in create chance work and empower House ladder For increase income family. Help government in a way No direct in increase growth economy national while also reducing level poverty. It is expected that the presence of MSMEs can push growth economy in the middle situation slowdown economy moment This.

Conclusion and Suggestions

Research result This show that innovation business model development influential to growth village UMKM economy village community race grow creative create product with attractive packaging as well as take advantage of technology. Lombang village, a developed village in matter economy, because village MSMEs successful competition translucent to the modern market and succeed sell the product until outside country, and succeed open field work for society village Lombang. So from That without Innovation developed products No will give maximum results. Keep growing with innovation without stop, through implementation technology, business models, and approaches new communication. Therefore that's important for every organization for consider utilization communication electronic Internet based use increase Power competition business them. In addition, it is also necessary to manage possible risks arise, such as aspect security and performance.

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