

Vol. 4 • No. 1 • Desember 2023

Page (Hal.) : 982– 990

ISSN (online) : 2746 - 4482

ISSN (print) : 2746 - 2250

© LPPM Universitas Pamulang

JL.Surya Kencana No.1 Pamulang, Tangerang Selatan – Banten

Telp. (021) 7412566, Fax (021) 7412491

Email : humanisproceedings@gmail.com



Special Issue:

ICOMS2023
The 4th International Conference on Management and Science

Website:

<http://www.openjournal.unpam.ac.id/index.php/SNH>

Entrepreneurial Strategies In The Effort to Develop Business Community

Idham Heru Pratomo¹⁾; Hairunnisa²⁾; and Hamsinah³⁾

¹⁾Program Pasca Sarjana Universitas Pamulang, Tangerang Selatan and 15310, Indonesia
E-mail: ¹⁾ihpbmsda79@gmail.com; ²⁾nisasimamora97@gmail.com

Abstract: This article is a description of entrepreneurial strategy that refers to the writings of Peter F. Drucker with his book entitled “Innovation and Entrepreneurship Practice and Principle.” With the literature study method, entrepreneurial strategy as one of the determining factors for the success of entrepreneurs in carrying out their business practice activities, of course knowing various kinds of accurate strategies that are able to bring them into a good and competent entrepreneurial structure according to their respective abilities. This strategy does not always give good results for entrepreneurs, but has a big impact on the development of their business. Entrepreneurial strategy can be used as a provision in creating an entrepreneurial innovation, so that they are expected to have the ability to see the opportunities and good opportunities that are in front of them. This paper uses a literature study method and tries to reveal various kinds of entrepreneurial strategies for the development of theory and practice in entrepreneurship in the future.

Keywords: Entrepreneurial Strategy, Society, Business Community

INTRODUCTION

Often a person's decision to be self-employed or entrepreneurial is driven by several conditions, namely conditions that can provide encouragement, among others: (1) the person was born and / or raised in a family that has a strong tradition in the field of business (Confidence Modalities), (2) the person is in conditions the field of business (Confidence Modalities), (2) the person is in a depressed condition, (Tension Modalities), and (3) someone who is preparing to become an entrepreneur (Emotion Modalities). Many positive factors encourage a person to enter the world of entrepreneurship, but in reality the state of businesses in Indonesia is still not encouraging. MSMEs (micro, small and medium enterprises) are often still identified as businesses that are difficult to develop and face many problems, such as weak management / human resources, products produced, limited markets, lagging technology and minimal capital. On the other hand, competition in the business world today is very competitive so that in order to be able to exist, especially in order to grow and develop and be more advanced, it requires an ability to understand various situations, understand the various constraints that exist, so in running MSMEs, knowledge and skills in MSME management are needed.

Entrepreneurship is an important issue in the economy of a developing nation. The economic progress or decline of a nation is largely determined by the existence and role of this group of entrepreneurs (Rachbini, 2002). Peter Drucker (1993) stated that the entire process of economic change ultimately depends on the person who causes the change, namely the "entrepreneur." Most growing and innovative companies exhibit an entrepreneurial spirit. Corporations are trying to encourage their managers to become entrepreneurs, universities are developing entrepreneurship programs, and individual entrepreneurs are causing dramatic changes in society. In developed countries, such as the United States, entrepreneurship has long been regarded as a way to spur innovation and technological progress, foster competition, and create jobs, leading to economic growth and national prosperity (Holmgren, 2005).

One of the requirements for a country to become a developed country is if the number of entrepreneurs reaches 2% of the population. Indonesia itself only has 1.5% of entrepreneurs from around 252 million people, so Indonesia still needs around 1.7 million entrepreneurs to reach the 2% mark. The average person in Indonesia chooses to become an employee rather than an entrepreneur (Loso, 2008). This phenomenon occurs due to the low motivation and interest of the Indonesian people. If the mindset of the community is not changed, Indonesia will have many problems, one of which is the narrowing of employment opportunities, the number of job opportunities with more people looking for work, so that many people do not get a job which results in the number of unemployment, especially intellectual unemployment, becoming increasingly large and has an impact on economic conditions in Indonesia. An entrepreneurial strategy is needed that can be developed by the entrepreneurial community in Indonesia in order to have an advantage to compete, if consumers feel that the products or services received are better than competitors' products or services (Noersasongko, et al. 2018).

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Entrepreneurial Strategies

Business strategy is an action taken on the basis of decision-making by a company to achieve its business targets and objectives. In other words, business strategy is the company's actions and processes in supporting its business activities so as to gain profits. The main purpose of creating a business strategy is that the company can control the course of business through identifying markets, competitors, consumers and others. A business strategy within a company is also able to unite between departments to be able to work together, in making decisions.

Business

Business is a series of businesses conducted by individuals or groups by offering goods and services for profit. The meaning of business can also be defined as providing goods and services for the smooth running of the economic system. In a broad sense, business is a general term that describes all activities and institutions that produce goods and services in daily life. In conclusion, the definition of business contains 4 aspects, namely, producing goods and services, making a profit, a business activity and meeting the needs of society in everyday life.

Business Community

Economic businesses are activities carried out by individuals and groups to fulfill their daily needs. Economic business is an activity carried out in order to fulfill daily needs. Usually, to start an economic business can be done by looking for business opportunities around, adjusting your educational background, hobbies, or partners to work with.

Develop Business Community

Economic development is a joint and planned effort to improve the quality of human life in the economic field and utilize the life skills of the community. Economic development is a continuous change in the economic condition of a community group towards a better situation during a certain period. Every regional economic development effort has the main objective of increasing the number and type of employment opportunities for the regional community itself. To improve regional development, especially developing regions, the local government seeks to improve the welfare of the community by exploring and developing the potential that exists in the region through Economic Development.

METHODS

This research method uses a qualitative method in its study. This is based on consideration of the depth of research results related to meaning rather than generalization, so that researchers maximize in terms of observations and interviews, both with regard to the relevance of the content of the questions to the study, as well as related to the accuracy of the respondents. At this stage the author also conducted research on the effectiveness of the use of internet technology in the search for knowledge and skills for residents supported by reference books and the results of previous similar research that has been done by others. The aim is to get a theoretical basis for the problem to be studied. This theory is

intended as a foothold for understanding the issues under study correctly and in accordance with a scientific framework.

RESULT AND DISCUSSION

Raymond Kao in a book entitled *Defining Entrepreneurship* states that an entrepreneur is a person who creates prosperity and the process of increasing added value through incubating ideas, combining resources, and making ideas come true. Entrepreneurship is a process of doing something new and different with the aim of creating prosperity for individuals and adding value to society. According to Rhenald Kasali, an entrepreneur is someone who likes change, makes various findings that differentiate himself from others, creates added value, provides benefits for himself and others, his work is built sustainably (not a momentary explosion), and is institutionalized so that later he can work effectively in the hands of others. The term entrepreneurship according to Peggy A. Lambing and Charles R. Kuel in their book *Entrepreneurship* (1999) is a creative act that builds a value from something that does not exist. Entrepreneurship is the process of capturing and realizing an opportunity regardless of existing resources, and requires the courage to take calculated risks.

Based on Nurseto's research (2004), the creation of new entrepreneurs is certainly not as easy as turning the palm of the hand, because it turns out to be very difficult to find people with entrepreneurial spirit. Entrepreneur is often defined as a person who takes the risk of investing money in new inventions (innovation), while entrepreneurship emphasizes the entrepreneurial spirit (adjective). Schumpeter refers to entrepreneurs as people who; (1) introduce new products as a result of their creation/innovation, (2) create new production methods, (3) find new markets, (4) find new raw materials, (5) find organizations. Another opinion, entrepreneurs are defined as people; (1) who are imaginative, (2) able to see opportunities, (3) who are innovative, and their innovations are used for the betterment of society, which has the characteristics of self-confidence, task and result oriented, risk takers, leadership, originality of ideas, and future orientation. From the description above, it is certainly not easy to find people who have the above characteristics. The majority of successful entrepreneurs come from families with a strong tradition in entrepreneurship. So it can be underlined that the entrepreneurial culture of a family or tribe or even a nation is very influential on the emergence of tough new entrepreneurs.

Based on Peter F. Drucker's book, entrepreneurship requires entrepreneurial management, i.e. practices and policies within the company, as well as practices and policies in the field. This requires an entrepreneurial strategy. The first strategy which is "Fustest with The Mostest" is lately said to be a strategy in business. However, they are important and they are different. Being the "Fustest with the Most" In In this strategy, entrepreneurs aim for leadership, if not for new market dominance then they aim for a new industry. Being "Fustest with the Most" does not necessarily aim to create a big business, but aims from the start at a permanent leadership position. Being "Fustest with the Most" is an approach that many consider to be a winning entrepreneurial strategy. Indeed, if one has ever read popular books on entrepreneurs, one would conclude that "Fustest with the Most" is the only entrepreneurial strategy, and many entrepreneurs especially high-tech ones, seem to share the same opinion. However, being "Fustest with the Most" is not even the dominant entrepreneurial strategy, let alone the strategy with the lowest risk or highest success ratio.

But otherwise, of all the entrepreneurial strategies, this one is the biggest gamble. The "Fustest with the Most" strategy does not allow mistakes and does not allow second chances. But if it succeeds in doing so, being "Fustest with the Most" is very rewarding. Hoffmann-LaRoche of Basel, Switzerland, has for years been the largest in the world and most likely the most profitable pharmaceutical company. But its origins were quite humble until the mid-1920s. Hoffmann-LaRoche was a small manufacturing chemist who struggled to make some textile dyes. Later, he bet on a newly discovered vitamin at a time when the scientific world still couldn't accept that such a substance existed, no one wanted it. Hoffmann-LaRoche hired the inventors from the University of Zurich at several times the salary they could expect as professors, a salary that even the industry had never paid before. He invested all the money he had and everything he could borrow to create and market this new substance. Sixty years later, after all the vitamin patents had expired, Hoffmann-LaRoche owned almost half of the world's vitamin market, now running into billions of dollars a year.

The second strategy, "Ecological Niche", aims at a smaller market or industry. The Ecological Niche strategy does not want to be competitive and focus on one goal only, for him there is no need to be more conspicuous in depth, but must focus on how the process and monopolize only on one area in an industry or business. There are three main points of discussion in the Ecological Niche strategy, which are different and each has its own requirements, limitations and risks. (1) Toll-gate Strategy. Toll-gate Strategy offers something that not many other people or companies do, he is the only one who can distribute certain goods or products, of course at an affordable price, thus making other companies not interested in competing with him. There are three examples given by the author in this book, namely the Alcon Company where this company makes enzymes for cataract eye surgery. Alcon offers and proves that the enzyme made by this company helps the process of cataract eye surgery quickly, so that all doctors or different experts use this enzyme for the process of cataract eye surgery and this is indeed proven that the process is faster than the previous cataract eye surgery process. (2) Specialty Skill Strategy.

In this Specialty Skill Strategy, everyone may know a product on the market but only a few know the names of the companies that supply the product. As explained by the author of the book, the importance of having specialty skills can thus understand the market, see what is needed by the market. Entrepreneurs are constantly honing their skills and becoming more specialized. As Baedeker made efforts to start services for tourists, before that he saw what was needed by tourists to see beautiful places or tourist attractions, from there came the idea or desire to make guidebooks for tourists and it worked very well. (3) Specialty Market Strategy. In Specialty Market Strategy, entrepreneurs or companies offer their products to specialized buyers. They target a specialized market. For example, companies that make automatic baking ovens, where two big companies in England and Denmark they monopolize the tourists only. These two companies know the niche market, therefore the free market is not attractive enough to compete with them, as long as their products satisfy their customers. Recognizing that the act of baking cookies and crackers was moving out of the home and into the factory, the two companies learned what commercial bakers needed so that they could manufacture automatic oven products and sell them to manufacturers. and sell them to bakeries.

The third strategy is "Changing Value and Characteristics". The strategy itself is innovation. The product or service may have been around for a long time. The postal service, it's old. But the strategy is how to transform this old, established product or service into something new. change its usefulness, its value, its economic characteristics. While physically there is no change, economically there is something different and new. This strategy can do so in four ways: (1) Creating Customer Utility; Utility will relate to the benefits of a business's product. In other words, utility is the ability of products in a business, both goods and services, to provide benefits, uses or satisfaction for consumers. So the higher the utility, the better the public interest, which means that the goods or services are more desirable. However, please note that utility has a relative nature. Which means, it is useful, beneficial or needed by someone and not necessarily so for other people or parties. (2) Price; Almost all companies base product prices on production costs, labor, advertising, then add a certain percentage so that they can make a profit from an entrepreneurial process.

Price itself is a marketing component that can determine the revenue of a company. Because, determining the right price will create optimal demand or demand from consumers and business partners. Thus, it can be said that setting prices is one of the key factors for business entities to achieve profits. (3) Customer Reality; The digital world that is now the world we live in today is a transformation in various lines of life. Including the business world. The changes that occur feel so fast and often make us follow them. We are currently entering a new reality. Marketing is closely related to perception and this perception can be created through new technology. In the digital era, social media is quite a change in the pattern of marketing communication. Here, consumers are getting more and more powerful thanks to these new media. Technology can make customers able to see and order virtually through their devices. (4) Provide Value to Customers; One of the most important things in running a business is creating the best product. However, satisfying customers is equally important. Therefore, we must recognize customer value in the marketing world.

Customer value is one of the most important aspects of business success. When running a business, success is not only judged by the number of sales or the number of profits made from sales, but it must also be judged by its customer value. If the product offered has a very high benefit value, of course there will be many customers who will feel satisfied with the product that has been made. Conversely, if the product has a low benefit value, then the customers will feel less satisfied, and it is likely that they will not return to buy the product offered. Based on research conducted by Basia, et al (2016), entrepreneurial development strategies are carried out in several aspects, First, aspects of motivation. The most dominant factor that drives the small economic income of the community is the limited employment opportunities in Indonesia, while human resources, especially youth skills, are abundant. This condition causes the youth's income to be small in meeting the needs of life. Seeing the increasing unemployment condition, the youth have the desire to minimize the unemployment by creating jobs in Sanggrahan Pathuk Village. This is so that unemployed youth have an additional income.

Second, the creativity aspect. Creativity is an important source of competitiveness for all organizations that care about growth and change. The conditions for a creative person are

openness to experience, observation of seeing things in unusual ways, curiosity, tolerance of ambiguity, independence in judgment, thought and action, needing and assuming autonomy, confidence in oneself, and trust in one's own autonomy. Autonomy (needing and assuming autonomy), self reliance, not being subject to group standards and control, availability to take risks that are worthy of control, availability to take calculated risks (willing to take calculated risks) (Frances, 2004: 34). Third, the aspect of leadership. In reality, leaders can influence the spirit and enthusiasm of work, security, quality of work life and especially the level of achievement of an organization. Leaders also play a critical role in helping groups, individuals to achieve goals. Successful leadership requires a deep understanding of subordinates. Therefore, Drucker (1979: 26-27), says that leaders urgently need to develop several skills, namely skills, namely:

(1) Objectivity to human relationships and behavior, (2) Ability to communicate within the company and society, (3) Assertiveness. It means the ability to project oneself mentally and emotionally into the position of a follower, (4) Self-aware. Leaders need to know what impression they make on others, (5). Teaching. This means that the leader must be able to use skills for guidance, and correction in giving instructions with examples. Fourth, the marketing aspect. Product marketing must pay attention to the quality of service for consumers. Service quality reflects the comparison between the level of service delivered by the company and customer expectations. Service quality is realized through the fulfillment of customer needs and desires and the accuracy of their delivery in balancing or exceeding customer expectations. Quality can be viewed broadly as excellence or privilege and can be defined as the delivery of services relative to customer expectations. If the company does things that are not in accordance with customer expectations, it means that the company does not provide good service quality.

Fifth, the aspect of business competition. Law No.5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition prohibits agreements, activities and abuse of market dominance by one or several companies. Prohibited agreements include oligopoly, price determination or discrimination, predatory pricing, market sharing, group boycotts, cartels, intercompany associations, oligopsony, vertical integration, exclusive dealing and agreements with foreign parties that may result in unfair business practices. Prohibited activities include monopoly, monopsony, market control, predatory pricing, bid rigging and obtaining competitors' secrets. In this regard, the Supervisory and Business Competition Commission (KPPU), which was inaugurated on June 7, 2000, was formed as an implementation of Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition. This institution functions to examine various parties suspected of violating the law, give decisions and impose sanctions on business actors who are proven to have violated.

Sixth, the aspect of business legality. In the case of MSMEs, many often forget or consider it unimportant or important, but it is not a priority to make a written agreement/agreement, because of the existence of "trust" (mutual trust). The main problem is that when the company develops and the span of control of each is too wide (having to handle many things), it is prone to misunderstandings if there are no references and written guidelines to avoid them.

written guidelines to avoid it. Seventh, the aspect of market changes. Changes in the rupiah

exchange rate, increases in fuel oil prices, and increases in basic electricity tariffs have a very real effect on national economic conditions, which in turn have a direct or indirect impact on the business activities of MSMEs (micro, small and medium enterprises). To face increasingly complex conditions, of course, MSMEs that excel in competition are MSMEs that have, first, the ability to meet consumer needs ⁽²⁰⁰⁾ precisely, ⁽²¹¹⁾ precisely at an affordable price, as well as a variety of diverse products and services; second, management that is always developing so that it can overcome the level of complexity and changes that occur at any time (Priyono and Husin, 2014: 33).

CONCLUSIONS

Entrepreneurial strategy is an effort to provide an opportunity for entrepreneurs to run their business well. In practice, creating an entrepreneurial spirit is not easy, innovation in entrepreneurship needs to be pursued in order to create a new view as a reference in conducting new business activities in today's modern era. A realization of innovation in entrepreneurship can be pursued through an entrepreneurial strategy approach that has been written by Peter F. Drucker in his book entitled "Innovation And Entrepreneurship Practice And Principles." In his writing, Peter F. Drucker divides entrepreneurial strategies into three parts, namely; "Fustest with the Mostest," "Ecological Niche," and "Changing Value and Characteristics" strategies. These three strategies are not mutually exclusive but have their own limitations and risks. And entrepreneurial development strategies are carried out in several aspects, namely aspects of motivation, creativity, leadership, marketing, business competition, business legality, and market changes.

REFERENCE

- A. Dion Mahesa, and E. Rahardja, Analisis Faktor-Faktor Motivasi Yang Mempengaruhi Minat Berwirausaha, *Diponegoro Journal of Management*, vol. 1, no. 4, pp. 130-137, 2012.
- Drucker, Peter. (1984) *Innovation And Entrepreneurship Practice And Principles*. New York, Harper & Row, Publiser, Inc.
- Hidayah, dkk. (2019). *Combine Assurance Dalam Konteks Pengendalian*. Equilibrium Vol 8 No.2 : STIE Bonga Makassar.
- Lesmana, R., & Sunardi, N. (2021). Futuristic Leadership Through PEKA Analysis Approach. *HUMANIS (Humanities, Management and Science Proceedings)*, 2(1).
- Lesmana, R., Sunardi, N., & Kartono. The Effect of Financing and Online Marketing on MSMEs Income Increasing at Intermoda Modern Market BSD City Tangerang Selatan. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(7), 25-34
- Lesmana, R., Sunardi, N., Hastono, H., & Widodo, A. S. (2021). Perceived Quality Membentuk Customer Loyalty via Brand Equity pada Pengguna Smartphone Merek Xiaomi di Tangerang Selatan. *Jurnal Pemasaran Kompetitif*, 4(2), 157-167
- Lesmana, R., Sutarman, A., & Sunardi, N. Building A Customer Loyalty Through Service Quality Mediated by Customer Satisfaction. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(3), 38-45
- Nazir. (1998). *Metode Penelitian*. Jakarta : Rineka Cipta Nurseto,
- Noersasongko, Edi. 2018. *Kewirausahaan Perubahan Zaman: Ilmu Kosong Tetapi Berisi*. Andi Offset. Yogyakarta.
- Primandaru, Noormalita. Analisis Faktor-Faktor Yang Berpengaruh Pada Minat Berwirausaha Mahasiswa *Jurnal Economia*, Volume 13, Nomor 1, April 2017

- Sunardi, N. (2019). Relevansi Intellectual Capital terhadap Harga dan Retun Saham di Industri Perbankan Pemerintah di Indonesia. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, 3(1).
- Sunardi, N. (2020). Penilaian Kinerja Keuangan menggunakan Economic Value Added (EVA) dan Market Value Added (MVA) dengan Time Series Approach pada Industri Semen di Indonesia. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, 3(2).
- Tejo. (2004) Strategi Menumbuhkan Wirausaha Kecil Menengah Yang Tangguh. *Jurnal ekonomi dan pendidikan* Vol 1 (1). DOI: <https://doi.org/10.21831/jep.v1i1.675>