


FGD ON MSME MANAGEMENT STRATEGIES IN FACING GLOBAL COMPETITION FROM AN ISLAMIC PERSPECTIVE

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<p>Info Article</p>	<p>Abstract: Tapandullu Beach, located in Mamuju Regency, is a stunning tourist destination, renowned for its outstanding natural beauty. With its fine white sand and crystal clear waters, the beach is an ideal choice for visitors seeking a tranquil and relaxing nature experience. Around the beach, a number of MSME players are trying to capitalize on the existing tourism potential. They offer a variety of specialty products, ranging from local food to handicrafts that reflect regional culture. These businesses not only add value for visitors, but also contribute to the economic growth of the local community. However, challenges cannot be ignored. MSME players must compete with products from outside that often have better variety and quality. This study examines the management strategies of Micro, Small and Medium Enterprises (MSMEs) in facing global competition, with a sharia-based approach. Sharia Enterprise Theory (SET) is used to understand the sharia-based approach. The method used is Focus Group Discussion (FGD) involving MSME players in Tapandullu Beach, Mamuju Regency. The results showed that the application of sharia principles not only increases the competitiveness of MSMEs in a sustainable manner, but also helps in maintaining ethical values and social responsibility. MSMEs and managers have three groups of stakeholders that must be taken into account in every accountability. FGD participants identified key challenges such as limited capital, poor marketing, and product quality. Proposed solutions included access to Islamic financing, digital cooperation, and skills training. The findings are expected to guide other MSME players in formulating suitable strategies, so that they can improve their position and contribution in the global market more effectively.</p>
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INTRODUCTION

MSMEs have a very important role in the Indonesian economy, contributing greatly to gross domestic product and absorbing a large proportion of the workforce. However, amidst the era of globalization and market liberalization, many MSME actors face difficulties to compete with foreign products that are often superior in quality and price. In addition, rapid technological developments and changes in consumer behavior add to the challenges that the sector must face. Therefore, appropriate support and strategies are needed to strengthen the competitiveness of MSMEs so that they can continue to contribute optimally to the national economy (Chan & Mustafa, 2021).

Therefore, it is important for MSME actors to adopt innovative and sustainable strategies. A sharia-based approach, through the Sharia Enterprise Theory (SET), provides a unique perspective, helping MSMEs to not only in increasing profitability, but also in maintaining ethical values and social responsibility. This study aims to analyze and formulate strategies that can be implemented by MSMEs in facing the global competition from an Islamic perspective (Toumi & Su, 2023).

Sharia Enterprise Theory (SET) is based on the application of sharia principles in a business context. This approach emphasizes not only financial returns, but also fairness, transparency and sustainability. Research shows that companies that adhere to sharia principles tend to have a better reputation and are able to attract more consumers and investors (Bulutoding & Sharon, 2023); (Triyuwono, 2015); (Triyuwono, 2000).

Sharia Enterprise Theory (SET) also emphasizes corporate social responsibility, where business entities are expected not only to focus on profits, but also to have a positive impact on society and the environment. This approach strengthens the relationship between the company and the community, which in turn can increase consumer loyalty and provide sustainable benefits for the company. Sharia Enterprise Theory (SET) always believes that there are three groups of stakeholders in the entity. Every activity of the entity must be accountable to God, humans and the universe (Briando et al., 2020; Bulutoding & Sharon, 2023; Triyuwono, 2000, 2015). One aspect that needs to be added is the importance of education and training for MSME players in understanding and applying sharia principles in their businesses. Without an adequate understanding of sharia values, MSME players may find it difficult to integrate such principles into their daily business practices. Therefore, training programs specifically designed to enhance knowledge of sharia and the ways in which it can be

implemented in a business context can be very helpful. By providing the right training, MSME players will be better equipped to make shariah-compliant decisions, allowing them to optimize their business potential and increase their competitiveness in the MSME Competitiveness Challenges market (Dey et al., 2018; Smith et al., 2017).

The competitiveness of MSMEs in the global market is greatly influenced by their ability to adapt to rapid changes. Various studies have shown that innovation in products and processes is key to business survival. MSMEs that focus on product quality and differentiation have a greater chance than those that only compete based on price (Firdaus et al., 2023).

In the midst of increasingly intense global competition, MSMEs must continue to innovate and adapt. They need to recognize and take advantage of new market opportunities, including dynamic changes in consumer trends and preferences. By improving adaptability, MSMEs can deliver products that are better suited to market needs, thereby strengthening their position in international competition (Hendrawan et al., 2024).

One aspect that needs to be considered is the importance of cooperation between MSME players in facing challenges in the global market. By establishing strategic partnerships, MSME players can utilize each other's resources, knowledge and technology, which will increase their innovation capacity and competitiveness. In addition, this collaboration can open up access to a wider market, facilitate the exchange of information on consumer trends and needs, and create opportunities for joint marketing. Thus, synergies between MSMEs will not only help them be more adaptive to market changes, but also strengthen their position on the international stage (Arifin et al., 2021).

Innovation is a crucial element in improving competitiveness. This includes product, process and business model innovation. Research by [researcher name] shows that MSMEs that invest in research and development tend to experience faster growth. Therefore, the application of modern technology and digitalization is becoming increasingly relevant (Budiarty et al., 2022). Innovation includes not only the development of new products, but also the improvement of services and operational processes. A holistic approach to innovation helps MSMEs to improve efficiency and reduce costs, while still delivering value to customers. By building a culture of continuous innovation, MSMEs can become leaders in their industry, thereby increasing their appeal to consumers and investors.

The importance of collaboration with universities and research institutions in supporting innovation for MSMEs cannot be overlooked. Through such partnerships, MSMEs can gain access to the latest technologies, knowledge and resources that can enhance their innovation capabilities. The expertise and research conducted by higher education institutions are often highly relevant to help MSMEs develop new products and improve operational processes. Therefore, this collaboration not only accelerates the innovation process, but also ensures that MSMEs remain competitive and relevant in an ever-changing industry (Hendrawan et al., 2024).

Here is an altered version with a different form model, creating a new flow and emphasis: In the face of complex challenges, MSMEs have the opportunity to innovate and adapt to the changing business environment. A number of MSME actors have now utilized advanced technology, including e-commerce and social media, as tools to expand their market. With this approach, not only does product marketing become more effective, but also operational efficiency increases, providing consumers with better access. This utilization of technology allows MSMEs to compete with foreign products, while attracting the attention of consumers both locally and internationally.

Furthermore, the application of sharia values in business can provide a significant advantage. Sharia Enterprise Theory (SET) emphasizes aspects of fairness, transparency, and social responsibility as the foundation of business operations. When MSMEs integrate these principles, their focus is not only on profit, but also on the social impact of business activities. This approach helps to build trust among consumers who prefer ethical and good quality products.

Finally, collaboration between various stakeholders is crucial in strengthening MSME competitiveness in the global market. Synergies between MSME actors, government, financial institutions, and the private sector can create a climate conducive to grow. Through initiatives such as training programs, better access to financing, and marketing support, MSMEs can be better prepared to face the competition. With these coordinated efforts, MSMEs will not only be able to survive, but also thrive and contribute significantly in the context of intensifying global competition.

METHODS

In this study, researchers applied the Focus Group Discussion (FGD) method to gather information from MSME actors operating at Tapandullu Beach. The discussion process was conducted in two sessions, which were attended by 20 participants from

various sectors, including culinary, crafts and tourism. The main focus of the FGD was to identify challenges faced, opportunities available, and strategies that can be implemented to improve the competitiveness of MSME. (Dewi et al., 2022).

The FGD implementation process began with the selection of participants. They are randomly selected from a variety of business types, taking into account certain criteria, such as experience and length of operation. This diverse selection is crucial to ensure that the discussion covers a wide range of perspectives (Sariyani et al., 2023).

Once selected, it is guided by an experienced moderator. The moderator is tasked with creating an atmosphere where each participant can share their views equally. It is very important to ensure all voices are heard and considered in the discussion.

Once the discussion sessions are over, the data obtained through notes and recordings will be analyzed in depth. The purpose of this analysis is to find relevant themes and patterns, so as to provide clearer insights into the challenges and opportunities faced by MSME actors. The results of these FGDs are expected to form the basis for formulating more effective development strategies for MSMEs in the area

RESULTS AND DISCUSSION

Location Overview of Tapandullu Beach in Mamuju Regency

Tapandullu Beach, located in Mamuju Regency, is a stunning tourist destination, renowned for its outstanding natural beauty. With its fine white sand and crystal clear waters, the beach is an ideal choice for visitors seeking a tranquil and relaxing nature experience. The presence of tropical trees in the vicinity adds to the appeal, creating a fresh and natural atmosphere (Yanes et al., 2019).

Around the beach, a number of MSME players are trying to capitalize on the existing tourism potential. They offer a variety of specialty products, ranging from local food to handicrafts that reflect regional culture. These businesses not only add value for visitors, but also contribute to the economic growth of the local community. However, challenges cannot be ignored. MSME players must compete with products from outside that often have better variety and quality. In this condition, it is very important for them to continue to innovate and improve product quality in order to remain competitive in an increasingly tight market (Sofield et al., 2017).

With all its beauty and potential, Tapandullu Beach has a great opportunity to develop into a successful tourism center. To achieve this goal, MSME players need to implement innovative and sustainable strategies, and capitalize on their location

advantages to attract more visitors and increase competitiveness (Firdaus et al., 2023)(Kausar & Nishikawa, 2010).

Fig. 3.1 Tappandulu Beach in Mamuju Regency



Source: PKM Team Universitas Islam Negeri Alauddin Makassar

Fig. 3.2 Process FGD with MSMEs



Source: PKM Team Universitas Islam Negeri Alauddin Makassar

Fig. 3.3 FGD with MSMEs



Source: PKM Team Universitas Islam Negeri Alauddin Makassar

Research Results and Synthesis Table

Synthesis Table:

Table 3.1 Challenges and Strategic Solutions

Challenges	Strategic Solutions
Lack of visitors and facilities	Cooperation with local governments and related agencies is needed for promotion.
The beach is full of plants and itchy corals so visitors are not too interested in this beach.	Cooperation is needed with the local government and related agencies, how to manage the beach for swimming so as to provide comfort for visitors.
Limited Fund	Sharia-based Financing
Low Marketing	Cooperation with digital platforms
Lack of Product Quality	Training and innovation
Intense Competition	Differentiation and Brand Marketing
Disadvantages in Technology	Digital training
Visitor Limitations	Improve promotion and facilities
Operation of the facility only on Saturdays and Sundays	The facility should be operational every day to avoid disappointment for visitors.

Source: FGD results with MSMEs

In this study which is conducted through Focus Group Discussions (FGDs), several key challenges faced by MSME actors in Tapandullu Beach were revealed. One of the most glaring issues is the lack of fund. Many MSME actors feel that

limited access to sources of financing is a major barrier to effective business development. In addition, participants also expressed serious issues related to marketing. They noted that the products they offer are often poorly known in the broader market, which results in low sales. This situation suggests an urgent need to implement more effective marketing strategies to raise the profile of their products. Product quality was also a major focus of the discussion. Many MSME actors realize the importance of improving their product standards to stay competitive. By improving quality, they can not only attract more consumers, but can also build a stronger reputation in the market (Firdaus et al., 2023);

In the face of increasing competition, it is important for them to do product differentiation and build strong branding. By having unique characteristics and a clear brand identity, they can more easily attract consumers' attention and differentiate themselves from competitors. Limited use of technology is also a significant issue. Many MSME actors recognize that they need to be more skilled in utilizing digital technology in their daily operations. Additional training will greatly help them to maximize the use of technology, which in turn can provide a competitive advantage (Chan & Mustafa, 2021).

The findings highlight the need for a more comprehensive approach and better support to help strengthen the position of MSMEs in the global market. By addressing these challenges, MSME actors in Tapandullu Beach can improve their competitiveness and contribute more significantly to local economic growth. Local community support is also an important factor in the success of MSMEs. By building strong networks and partnerships among businesses, they can share experiences and resources. A solid community will create a supportive environment for business growth, and help MSME players to promote each other's products. This initiative can not only increase product visibility, but also strengthen social relations within the community (Chan & Mustafa, 2021); (Kausar & Nishikawa, 2010); (Dey et al., 2018).

In addition, utilizing local resources can be an effective strategy in improving the competitiveness of MSMEs. By utilizing local raw materials and labor, MSME actors will be able to not only reduce production costs, but also support the regional economy. This approach is in line with the principle of sustainability, where they can create products that are not only of high quality, but also support the overall development of the local economy.

Discussion

The results of the Focus Group Discussion (FGD) revealed that many MSME actors experience serious constraints related to limited capital in their business development. This is a major barrier that hinders their ability to expand their business operations and improve their competitiveness in the market. As a response to this problem, the FGD participants proposed the use of a financing system based on sharia principles. This approach is expected to provide better access for MSME players, while adhering to Islamic values (Bulutoding et al., 2021). Thus, they can obtain the necessary capital to expand their businesses without violating existing norms. In the marketing aspect, cooperation with various digital platforms is considered very important. Participants emphasized that this collaboration is essential to reach the younger generation who are currently active in cyberspace. By utilizing digital platforms, MSME players can increase product visibility and attract the attention of new consumers (Budiarty et al., 2022); (Chan & Mustafa, 2021); (Kumar & Nanda, 2023).

Product quality was also a central topic in this discussion. Many MSME actors agreed that improving quality through innovation is a crucial step to compete in a competitive market. By improving product standards, they can not only meet consumer expectations, but also strengthen customer satisfaction. The importance of skills training and the use of modern technology are also recognized as key factors in creating products that comply with international standards. With proper training, MSME actors can adopt new techniques and improve the efficiency and effectiveness of their production (Chan & Mustafa, 2021).

Product differentiation and brand strengthening are also identified as important strategies to compete effectively. Having unique characteristics and a clear brand identity will help MSME players to stand out in a crowded market. This allows them to attract consumer attention and build brand loyalty. Overall, the results of these FGDs indicate that MSME actors in Tapandullu Beach need to adopt a holistic approach to address the challenges they face. By implementing the suggested solutions, they can strengthen their position in the market and make a more meaningful contribution to the local economy.

Support from the government is also crucial in strengthening the position of MSME players. Supportive policies, such as tax incentives, access to market information, and special funding programs, can provide a significant boost to business

development. The government needs to play an active role in creating a conducive environment, including the provision of adequate infrastructure and accessibility to relevant training for MSME players. Furthermore, collaboration between MSME actors and educational institutions can also be an effective strategy. By establishing partnerships, MSMEs can gain access to research, innovation, and skilled human resources. Educational institutions can supply training and market research, while MSMEs can provide practical experience for students, creating a mutually beneficial synergy and contributing to the development of a stronger business ecosystem.

CONCLUSION

Facing challenges in the global market, managing MSMEs through a sharia-based approach and Sharia Enterprise Theory (SET) provides a comprehensive and sustainable solution. The application of sharia principles not only helps in achieving financial returns, but also ensures ethical business sustainability. The importance of collaborative support between the government, financial institutions and MSME players cannot be underestimated, as this will maximize the potential and ensure inclusive growth. In this context, relevant training programs, better access to finance, and digital marketing strategies should be the main focus in supporting the development of MSME players. With an integrated and synergistic approach, MSMEs are expected to adapt to market changes and remain competitive in the face of increasingly complex global challenges.

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