Analysis of Digital Transformation Strategy Opportunities and Threats of Food Stalls Small Medium Enterprises in the Industry 4.0

Natasya Misnawati Sikki, Johan Reimon Batmetan

Department of Information Technology and Communication Education, Universitas Negeri Manado

Corresponding author : natasyasikki@gmail.com

ABSTRACT

SMEs as a sector that has been proven to be able to survive in a crisis, therefore SMEs are encouraged to accelerate the digital transformation process in the era of the industrial revolution 4.0. This study aims to understand the importance of the right digital transformation for every MSME business. This study is a qualitative research through analysis of literature and other supporting data to produce a picture of the right digital transformation for SMEs. This research shows that digital transformation comes from external factors, not many internal factors that trigger digital transformation are found. The transformations carried out tend to follow the transformation steps that have been developed so that they do not create uniqueness. In the general implementation of digital transformation, SMEs have established a strategic imperative for them to carry out digital transformation, but have not implemented benchmarks so that the level of success of digital transformation cannot be measured.

Keywords : SMEs, digital transformation, Industry 4.0

INTRODUCTION

The industrial era 4.0 has entered Indonesia. This combines physical, digital, and biological aspects, such as the use of artificial intelligence (artificial intelligence), robotics, and the ability of computers to learn from data (machine learning), in manufacturing, including Micro, Small and Medium Enterprises (Parupang & Batmetan, 2022) .

Analysis of Digital Transformation Strategy Opportunities and Threats of Food Stalls Small Medium Enterprises in the Industry 4.0

Natasya Misnawati Sikki, Johan Reimon Batmetan

Small and Medium Enterprises (SMEs) are currently undergoing quite a difficult situation in the midst of a changing business environment. Competition is getting tougher due to the large flow of free trade on a national or international scale which indirectly creates trade competition from all aspects (Calvin Kumajas Michella Undap, 2021). Micro, Small and Medium Enterprises (SMEs) themselves have a role and a fairly large number in the creation of jobs and employment and also contribute to the formation of gross domestic product (GDP). The large role of SMEs provides an explanation that SMEs must be improved even more in the future, SMEs can survive and compete if they are able to implement good management(Sianturi, 2020). Changes in the surrounding environment or business is a situation that is very difficult to predict, it is also estimated to be certain in the future. To achieve the desired profit, marketing must achieve its objectives in order to achieve the desired results. Marketing requires the right tactics to do the best to achieve marketing as desired by business people. Without the marketing arena, you can't sell the way you want, and marketing must be careful and tailored to the needs of today's market.

One form of adaptation to these very fast changes is the use of technology or digitalization in various aspects of life and business. In order for their business to survive in the midst of competition, business actors must adapt by switching off from offline business activities to online businesses, various conventional activities must switch to internet technology-based activities(Adha, Asyhadie, & Kusuma, 2020).

Digitization and digitization are stages of a process towards a product adaptive change is digital transformation. Digital transformation covers all activities in business, and its implementation is not just the use of technology, but also concerns matters relating to the various components involved in business, including human, financial and other resources. Strategy business, technology and human resources in MSME companies and cooperatives

or even large-scale businesses, must synergize to achieve increasingly large businesses strong, big and ever-increasing. The purpose of this study is to analyze the importance of a digital transformation for msme enterprises.

METHOD

The analysis in this study was carried out in the form of a content review which consists of scanning the literature in detail on the subject to identify the core problems and understand their thoughts. This research is a qualitative research and aims to produce a theoretical model construction. Current techniques and methods that have been documented by authors in literature, journals, papers, and other publication sources which have been surveyed and identified.

The qualitative method was chosen because it was the most suitable approach to explore and understand phenomena and answer questions that arise. We choose the design exploratory case studies are suitable for this research. Research bias may occur because limitations of sampling techniques and literature sources. To ensure novelty the construct result model, the data for content analysis selected were documents, articles, and new scientific papers published throughout 2020.

Analysis of Digital Transformation Strategy Opportunities and Threats of Food Stalls Small Medium
Enterprises in the Industry 4.0
Natasya Misnawati Sikki, Johan Reimon Batmetan

RESULTS AND DISCUSSION

SMEs who experience obstacles can affect their business process. Several indicators can be used to evaluate and understand the impact of digital change whether it is able to reduce the negative impact of the crisis experienced. Internal and external analysis is needed for SMEs to be able to determine their business model. Digital transformation not only introduces new technologies for existing business activities, but also makes it easier to redesign all business models to suit customer needs. Currently, people are more inclined to use digital as a device to interact, this is one of the triggers for accelerating digital transformation. In addition to the development of digital technology and intense competition, it also triggers the acceleration of digital transformation.

In order for the implementation of the Digitalization strategy to run according to the goals and objectives desired, it is necessary to study and analyze several related aspects and involving various parties within the company. For that it is necessary to arrange and determined the steps for implementing an effective strategy.

Digital transformation has 3 phases, namely digitization, digitization, and digital transformation. Digitalization describes how information technology or digital technology can be used to change existing business processes, whereas digital transformation is a company-wide phenomenon with organization-wide implications where a company's core business model can change through the use of digital technology.

According to (Adha et al., 2020), digital transformation consists of 3 phases, including digitization, digitization, and digital transformation. Digitization is the act of converting analog information into digital information, digitalization describes how information technology or digital technology can be used to transform existing business processes, whereas digital transformation is a company-wide phenomenon with organization-wide implications where a company's core business model can change. through the use of digital technology.

Digital transformation is causing major changes that are driven by advances in information technology. Research conducted by (Priyono et al., 2020) found that the choice of MSME strategies in technology transformation can be classified into 3 digital strategies, namely (1) SMEs with a high level of maturity that are able to answer challenges by accelerating the transition to digital companies, (2) SMEs experiencing liquidity problems and low levels of digital maturity decide to only digitize the sales function, and (3) SMEs that have very limited digital literacy but are supported by high social capital will solve the challenge by looking for partners who have excellent digital skills.

CONCLUSION

Based on the analysis we obtained, it can be concluded that the main thing that can trigger digital transformation comes from external factors, not many internal factors that trigger digital transformation

Analysis of Digital Transformation Strategy Opportunities and Threats of Food Stalls Small Medium
Enterprises in the Industry 4.0
Natasya Misnawati Sikki, Johan Reimon Batmetan

are found. The transformations carried out tend to follow the transformation steps that have been developed so that they do not create uniqueness. In the general implementation of digital transformation, SMEs have established a strategic imperative for them to carry out digital transformation, but have not implemented benchmarks so that the level of success of digital transformation cannot be measured.

REFERENCES

Adha, L. H., Asyhadie, Z., & Kusuma, R. (2020). Indonesia Industrial Digitalization and Its Impact on Labor and. *Jurnal Kompilasi Hukum*, *V*(2), 32.

Bahtiar, R. A. (2021). Dampak Pandemi Covid-19 Terhadap Sektor Usaha Mikro, Kecil, dan Menengah Serta Solusinya. *Pusat Penelitian Badan Keahlian DPR RI, Bidang Ekonomi Dan Kebijakan Publik*, *XIII*(10), 19–24. Retrieved from https://berkas.dpr.go.id/puslit/files/info_singkat/Info Singkat-XIII-10-II-P3DI-Mei-2021-1982.pdf

Calvin Kumajas Michella Undap, D. P. (2021). Evaluation of Acceptance Model in E-Commerce Using TAM. *International Journal of Information Technology and Education*, *1*(1), 51–58.

Febriyantoro, M. T., & Arisandi, D. (2018). Pemanfaatan Digital Marketing Bagi Usaha Mikro, Kecil Dan Menengah Pada Era Masyarakat Ekonomi Asean. *JMD: Jurnal Riset Manajemen & Bisnis Dewantara*, *1*(2), 61–76. https://doi.org/10.26533/jmd.v1i2.175

Gunawan, G. G., & Sulaeman, M. (2020). Determining Factors in the Use of Digital Marketing and Its Effect on Marketing Performance in the Creative Industries in Tasikmalaya. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, *3*(3), 2543–2550. https://doi.org/10.33258/birci.v3i3.1239

Laksana, D., & Dharmayanti, D. (2018). Pengaruh Digital Marketing Terhadap Organizational Performance Dengan Intellectual Capital Dan Perceived Quality Sebagai Variabel InterveniDharmayanti, L. &. (2018). Pengaruh Digital Marketing Terhadap Organizational Performance Dengan Intellectual Capita. *Jurnal Manajemen Pemasaran*, *12*(1), 10–24. https://doi.org/10.9744/pemasaran.12.1.10

Nuseir, M. T., & Aljumah, A. (2020). The role of digital marketing in business performance with the moderating effect of environment factors among SMEs of UAE. *International Journal of Innovation, Creativity and Change*, (3), 310–324.

Omar, F. I., Zan, U. M. S. M., Hassan, N. A., & Ibrahim, I. (2020). Digital Marketing: An Influence towards Business Performance among Entrepreneurs of Small and Medium Enterprises. *International Journal of Academic Research in Business and Social Sciences*, *10*(9), 126–141. https://doi.org/10.6007/ijarbss/v10-i9/7709

Parupang, A., & Batmetan, J. R. (2022). *Design System e-Culinary Website-Based for Small Medium*

Analysis of Digital Transformation Strategy Opportunities and Threats of Food Stalls Small Medium
Enterprises in the Industry 4.0
Natasya Misnawati Sikki, Johan Reimon Batmetan

Enterprises.

Sianturi, R. D. (2020). Manajemen pemasaran menggunakan analisis SWOT pada UMKM guna meningkatkan daya saing UMKM. *Journal of Business and Economics Research*, *1*(1), 45–50. Retrieved from https://ejurnal.seminar-id.com/index.php/jbe/article/view/118