

Study of Management and Marketing Optimization of Small and Medium Business Products (SMEs) in Medan City

Susi Handayani Dewi Andriany Dani Iskandar Raihanah Dulay
Faculty of Economics and Business, University of Muhammadiyah Sumatera Utara

Abstract

The management and development of Small and Medium Enterprises (SMEs) requires attention and partisanship from various parties so that SMEs can have the potential to progress and develop to encourage regional economies, because when the economic crisis hit Indonesia, SMEs have proven their resilience and saved the nation by helping to spin the country's economy. However, SMEs in Indonesia generally still depend on the characteristics of the commodity being cultivated, so it is not excessive if the SMEs in their development are not free from various obstacles such as technical, technological, management, marketing, social and institutional, information and financial. This is closely related to the quality of human resources (HR) with a limited level of education (mostly at the elementary and junior high school level) and the legality of the business entities it manages, as well as the weakness of alignments. Direct and data information documents that are available to formulate the potential of SMEs in terms of the feasibility of the management and marketing of small industries in the city of Medan, based on the cluster approach as an effort to develop and grow the local economy that can involve many actors. The objectives of the study were: (1) to identify SMEs in Medan that have the ability to manage and develop markets, (2) analyze SMEs that are feasible to be fostered and provided assistance for business expansion or development, in terms of market expansion (3) developing management and marketing strategies that suitable for SME development in Medan City. This research was conducted in all SMEs in the Medan region which consisted of 21 sub-districts with criteria for food, beverage and handicraft businesses. The method used is descriptive analysis, both quantitative (descriptive statistics in the form of tabulation) and qualitative (analysis of Strengths, Weaknesses, Opportunities, and Threats or qualitative SWOT).

Keywords: small and medium enterprises (SMEs), marketing, management, regional economy.

1. Introduction

The government currently continues to empower Micro, Small and Medium Enterprises (MSMEs). This sector is able to absorb a large workforce and provide opportunities for MSEs to develop and compete with companies that are more likely to use large capital. The existence of MSMEs cannot be doubted because they have proven to be able to survive and become the wheels of the economic drive, especially after the economic crisis. On the other hand, MSMEs also face a lot of problems, namely limited working capital, low human resources, and lack of mastery of science and technology. Another obstacle faced by MSMEs is the connection with unclear business prospects and unstable planning, vision and mission. This happens because generally MSMEs are income gathering, namely increasing income, with the following characteristics: is a family owned business, using technology that is still relatively simple, lacking access to capital (bankable), and no separation of business capital from personal needs.

The role of SMEs in the domestic economy is increasing, especially after the 1977 process. When banks face difficulties in finding debtors who are not problematic, SMEs become an alternative to bank credit distribution. Based on Central Bureau of Statistics (BPS) data in 2010 there were 42.39 million SMEs or 99.9% of the total business units and were able to absorb 79.4 million workers or 99.4% of the workforce BPS data also estimated that 57% of GDP was sourced from this business unit and contributed almost 15 % of Indonesian goods exports

The research results of the Data and Information Center of the Department of Cooperatives and Small Business Development for 69,609 industrial companies showed that as many as 19,268 companies reduced their business activities and the rest stopped their business activities. However, not all lines of business experience bankruptcy in times of crisis. Various studies have shown that small and medium enterprises have relatively the power to survive compared to large businesses in the face of shocks. In this case small and medium enterprises provide optimism to survive and develop.

The Micro Small Medium Enterprises in Medan in the past few years has continued to wriggle with the increasing number of people who pursue the home business as their main livelihood and side. Today the development of MSMEs in Medan City continues to show significant growth. The high growth rate of MSMEs is certainly not inseparable from the increasingly intense government encouraging people to become entrepreneurs who are also capable of opening new jobs. So that the high unemployment rate which is currently increasingly alarming, especially in the productive age can be increasingly suppressed.

In 2014 there were around 22 thousand MSME players in Medan City and that number continued to increase until 2016 the number was around 300 thousand (Central Bureau of Statistics Medan city). In order for

these MSMEs to continue to survive, especially to deal with the ASEAN Economic Community (AEC), the government continues to strive to provide assistance, especially in terms of marketing produced products and promotions so that the wider community is more familiar with existing production. The trainings and exhibitions are also routinely held, not only in Medan City but in various regions in Indonesia, with the hope that the human resources and quality of production produced are increasingly spread and increasingly popular with the community along with the government's appeal to love domestic products. Equally important, of course, MSME players must also be creative in producing innovative and quality products so that they can compete with outside products.

Not only growth, but also the scope of marketing. These products are not only in the interest of the local community, but also abroad. In fact, it can be said to be able to compete with outside communities who have similar businesses. Although it has arrived abroad, many Medan people are skeptical about its quality. Even more unfortunately, these products ranging from clothes, food, drinks, shoes, wallets, and others do not become branded, less popular with foreign products marketed in Medan. It could be that residents pay less attention to local products because of the lack of promotion. Businessmen struggle themselves to develop their businesses. Starting from holding exhibitions, involving agents, to utilizing their own business networks in developing their businesses. For this reason, it is hoped that the role of regional and central government will help MSMEs in terms of managing and marketing products, as well as assisting in the ease of granting permits. By paying attention to the conditions and problems faced, innovation and policy strategies are needed in the management and marketing of SMEs products in Medan City.

2. Literature Review

Entrepreneurship studies develop in other disciplines whose emphasis is on self-employment. In the field of psychology, entrepreneurship studies examine the characteristics of entrepreneurial personality, while in the science of sociology research emphasizes the influence of the social and cultural environment in the formation of an entrepreneurial society. Although there are differences in perspectives, research carried out by experts in economics, psychology, and sociology must remain relevant to entrepreneurial activities and their causes and effects at the micro and macro level. This is normal if entrepreneurship studies with different scientific emphases will ultimately be related and influential (Bjerke, B, 2005). Carson, MC. (2002), states that entrepreneurship learns about a person's values, abilities, and behavior in creating and innovating. Therefore, entrepreneurial studies are a person's values and abilities that are manifested in the form of behavior.

Day, John, Reynald, Pane, Lancaster, Geoff (2006), states that entrepreneurship is essentially the nature, character and character of someone who has the ability to creatively create innovative ideas into the real world. The essence of entrepreneurship is an ability to create something new and different (the ability to create the new and different things), Bjerke and Hultman (2006) define entrepreneurship into two categories including: (a) individual personality that seeks to identify general psychology and social nature which compares between entrepreneurs and non-entrepreneurs. (b) Behavior carried out by an entrepreneur. The initial definition of entrepreneurship is focused on behavioral attributes, which defines entrepreneurship as an agent of change, people who don't try to perfect, or optimize how to do things, but rather look for new methods and markets - precisely, different ways of doing things.

Bustami, Bernadien, Nurlela, Sandra, Ferry (2007) stated that entrepreneurship as someone who seeks change, but responds in an innovative way, uses it as an opportunity and makes innovation a necessary part of entrepreneurship. Entrepreneurship is a process, with an attitude-oriented management style that uses innovation and change as a focus of thought and behavior

Carson, David and Cromie, S. (2008), stated that entrepreneurship is a combination of creativity, innovation, and truth to face risks that are carried out by working hard to form and maintain new businesses. Creativity is thinking something new, while innovation is acting to do something new. Efficiently, entrepreneurship is essentially an ability to think creatively and behave innovatively which is used as a basis, resources, driving force, goals, tactics, tips in dealing with life's challenges.

The concept of entrepreneurial marketing is basically a discipline that studies the value, ability and behavior of an entrepreneur in dealing with various related problems in an effort to get business opportunities done. The entrepreneurial marketing approach is the right concept approach in terms of limited resources and problems that exist in MSMEs (Stokes, 2007). Entrepreneurship marketing approach for small entrepreneurs is able to create a more targeted business condition related to efforts to achieve the stated goals.

An important aspect of marketing is examined in the context of entrepreneurial business to see how marketing theory fits into entrepreneurial practices. This is in accordance with the opinion of Kotler (2008) stating that the concept of marketing run by entrepreneur's shows the difference from the concepts put forward in conventional marketing. The existence of different behavioral assumptions that underlie the theoretical concepts of marketing and entrepreneurship, this may not be a problem.

Conventional marketing is considered an organized and planned process. The conventional marketing

concept assumes that to identify consumer needs through formal market research. Market analysis results will be used as a basis for developing new products or services in response to consumer needs.

Entrepreneurial behavior on the other hand can be said to be a behavior that represents more informal and unplanned activities that rely on the intuition and energy of individuals to realize business activities (Day, John, Reynald, Pane, Lancaster, Geoff, 2006). This statement explains that managers - small and medium business owners need to combine conventional marketing with entrepreneurship. Small and medium business managers have assumed that the concept of marketing is something that big companies do (Stokes, 2007).

The marketing concept that has been applied in large companies and with the many text books that are the origin of concepts and case studies, it is time to study the marketing process in a small company context to produce an understanding of "entrepreneurial marketing" that is adapted to all its limitations.

Hultman, Miles, Morgan (2008) stated that entrepreneurial interpretation in marketing includes: (1) consumer orientation versus "innovation orientation". Managers and business owners argue that change is more often triggered by the existence of new ideas or competitive pressures, not consumer needs that can be known with certainty. Initial business is not through market analysis but through an intuitive feeling about something that needs to be needed. Creativity and innovation in the development of products or services are marketing activities of successful entrepreneurship and not through careful research activities on consumer needs.

The most widely used scale of entrepreneurial activity, expressed by Carson, D. Cromie, S. Mc. Gowan, P. and Hill, J. (2007), is based on behavioral dimensions such as risk taking, innovation and proactive responses. Entrepreneurial innovation includes adjustments in the market approach. Activities include: approaching new market segments with certain services, or increasing services to existing customers - in other words, additional and innovative adjustments that create competitive advantage.

Word of mouth communication between entrepreneurs and small business owners is the main source of innovative ideas. Marketing through word of mouth is important in innovative processes because it plays an important role in the use of new products and services from consumers. Informal personal communication is an aspect of entrepreneurial marketing.

Marcati (2007) suggested that a "top-down" approach to the market with stages of segmentation, positioning and target market. A successful entrepreneur is able to target certain consumers, through three stages of the segmentation process, positioning and target market.

Based on the results of the study shows that successful small businesses run a "bottom-up" process of targeting when the organization begins by serving the needs of a few consumers and then extends its base gradually with possible experience and resources. The owner-manager describes the targeting process with the following stages: (a) Identification of market opportunities: Market opportunities from forms of products and services are tested through market trials, which are based on the intuitive expectations of entrepreneurs. (b) The attractiveness of the initial consumer base. An entrepreneur often makes regular contact with consumers and is able to know their preferences and needs. (c) Expansion through the same customer but more. An entrepreneur broadens his initial consumer base by finding more consumers with the same profile through word-of-mouth news marketing and not through formal research and proactive marketing.

Small businesses survive in an environment that often changes not only by successful marketing to those who buy their products or services, but also by developing important relationships with other individuals and organizations including suppliers, bank managers, investors, advisors, trade associations, local governments and important public authorities for consumers and also small business success. Entrepreneurial marketing (entrepreneurial marketing) is a marketing aspect that focuses on the need for creating and developing networks that are able to support companies.

Bjerke (2005) states entrepreneurial marketing in small businesses targets organizations or individuals that have positive or negative effects on products, prices, promotions and distribution channels versus interactive marketing and word of mouth. The marketing strategy is implemented through marketing activities which are better known as the marketing mix, which is a tool used by marketers.

Bjerke and Hultman (2006) state entrepreneurial marketing activities in the process of direct exchange and the formation of personal relationships. Entrepreneurs prefer interactive marketing (interactive marketing). Managers - small business owners are those who have the ability to interact with target markets because they have strong preferences in personal contact with consumers and not through impersonal marketing through mass promotion. The relationship through speech is a way to hear and respond to the voice of consumers and not conduct formal market research to understand the market.

Generally the owner-manager's ability to engage in dialogue with consumers is often a unique selling point for business. The owner manager usually spends part of his working day in contact with consumers and in interacting with the consumer base in a way such as that of large companies, even those with the latest technology (Gummeson, C, 2006).

Interactive marketing for small businesses contains the ability to communicate and respond quickly to individual consumers. Entrepreneurs interact with individual consumers through personal selling and

relationship building approaches, which will not only ensure orders, but also provide recommendations to consumers. Owner-managers emphasize the importance of personal relationships in forming a consumer base. Interaction with existing customers using word-of-mouth marketing to spread the message. Entrepreneurial marketing relies on word-of-mouth news communication to create a consumer base through its recommendations.

Hills, Gerald (2008), states that entrepreneurial marketing processes explain the four marketing principles and entrepreneurial activity behaviors that make it easier to compare marketing theories in standard text books like Kotler and marketing that has been done successfully by entrepreneurs and managers of entrepreneurial businesses.

Stokes (2007) explains from the results of his research that good marketers generally come from people who have a high entrepreneurial spirit. The entrepreneurial spirit makes one easy to form into a formidable marketer, very sensitive to the development of the environment and quickly captured as an open market opportunity to create products that will be offered on the market.

Marketers who have an entrepreneurial spirit to achieve marketing goals and companies must have marketing and entrepreneurial concepts, especially for Micro, Small and Medium Enterprises (MSMEs). Foremen-Pick, James, Moke Peace, Morgan, Brian (2006) states that marketing and entrepreneurship in small business performance measurement can be seen from sales and profit growth.

The relationship between entrepreneurial marketing will directly affect the sales results to be achieved in doing business directly related to the business (Birley, S, 2007). Kocak, Akin, Ambibola (2009) in his statement entrepreneurial marketing influences business performance from the level of sales growth and profits. Through entrepreneurial marketing, business owners can conduct a comprehensive evaluation as an effort to determine policies appropriately in an effort to improve business performance, including sales and profits (Carson, David and Cromie, S 2008).

3. Research Method

This research is a descriptive research. The type of descriptive research generally does not require a hypothesis so that in the step of the research there is no need to formulate a hypothesis. In descriptive research there are two data groups, namely qualitative data and quantitative data. Qualitative data describe in words or sentences, while quantitative data are figures of calculation or measurement.

In this study the data used are primary data and secondary data. To obtain primary data used data collection techniques through direct interviews with the research target by providing a structured questionnaire in the form of a questionnaire to respondents. Conduct interviews with relevant agencies about the management of SMEs. Secondary data obtained from various related institutions include the Central Statistics Agency, the Office of Cooperatives and SMEs in Medan City in the form of policy documents, publication of research results and various references related to this research.

Research data will be analyzed descriptively, both qualitative and quantitative. The statistical tool used is descriptive statistics, namely frequency tables, and management diagrams applied by the SMEs plus by describing / mapping and analyzing using the SWOT matrix.

4. Result and Discussion

Small and medium enterprises (SMEs) in the Medan region can be said to form their own groups or clusters, which usually occur because of generations handed down by parents and predecessors. The establishment of a business location is determined by the ease of obtaining raw materials. For example the type of business of convection, embroidery, shoes, bags and sandals craftsmen are in the Medan Denai area and its surroundings, one of them because it is close to the source of raw materials.

In general, SMEs do not have a special division to regulate human resources. In terms of working days and hours, SMEs employ employees from Monday to Saturday and depending on the order. In general, SMEs only have a minimum workforce of between 2 and 5 people, generally small-scale, traditional and tend to be constant every year, the majority are not perfect business entities, although some have implemented it. There are newly established SMEs (<5 years), but there is also a continuation of parents or predecessors. For new SMEs, it turns out that there is a lack of employment opportunities so that opportunities as clusters are utilized by establishing similar businesses. The inheritance business turned out to be more organized in its administration and operating processes, but not all of them tended to prioritize the role of the family as a whole. Aspects of professionalism such as those in formal organizations do not appear and tend not to develop. Family ties are so strong that they can have positive consequences but also become a serious threat in the event of a conflict. There are no clear and specific rules for job description, it all depends on each person's readiness to work according to the opportunities at the time. All must be responsible for product quality, marketing, production, planning and especially business survival. Decision making is comprehensive because there is no definitive leadership in the personnel process (the consequences of the family system).

Table 1. Respondents' answer tabulations on the application of human resources

Statement	Yes		Sometimes		No		Average Score	Note
	Σ	%	Σ	%	Σ	%		
1. Are employees recruited properly	20	47,6	20	47,6	2	4,8	2,4	Medium
2. Every problem occurs in the business both production, marketing, capital and others. Can it be done well?	18	42,8	22	52,3	2	4,8	2,28	Medium
3. Is there a division of labor in your company	14	33,3	4	9,5	24	57,1	1,76	Not good
4. Determination of salary / wages for your employees according to what is done	12	28,5	2	4,7	28	66,6	1,6	Not good
5. Is there training for employees to improve skills?	13	30,9	25	59,5	4	9,5	2,21	Medium
6. Do you apply discipline to your employees	20	47,6	19	45,2	3	7,1	2,40	Medium
7. Are your employees paid by the BPJS for employment by the company	14	33,3	0	0	28	66,6	1,6	Not good
8. Do you provide incentives / awards for employees who excel	14	33,3	22	52,3	6	14,2	2,14	Medium
9. Do you feel responsible for the welfare of your employees	16	38	10	28	16	38	2,0	Medium

Respondents' answer categories that are grouped into good can be interpreted as what is being questioned by SMEs. Statements of medium value have meanings sometimes applied and sometimes not. The value of the answer is not good, it can be interpreted that the question in question is not applied and even the SMEs do not know what the purpose of the question is and what the importance is for the continuity of the business.

SMEs have on average applied several things, although not always consistent. This is understandable because knowledge of SMEs is limited, due to inadequate levels of education and low desire to broaden horizons. The average value of the application of human resource management is 2.04 which can be categorized as medium.

SMEs are still doing traditional marketing that relies on word of mouth promotion to better support marketing. Although there is a social media but not optimal to use it, SMEs also do not have a sustainable promotion plan because of limited capital and traditional. The making of social media is not maximal and is not maximized and not infrequently orders come by chance because consumers see products on the market or rely on word of mouth. Orders like this are usually not many.

SMEs also do not have an effective marketing strategy. Marketing is done on the basis of chance or ease of entering a market. For example by entrusting traders who open kiosks in the market. The system applied is consignment.

Table 2. Application of Marketing Management

Statement	Yes		Sometimes		No		Average Score	Note
	Σ	%	Σ	%	Σ	%		
1. Do you think that your product design can attract consumers	18	42,8	10	23,8	14	33,3	2,09	Medium
2. Do you learn to create a new design	20	47,6	10	23,8	12	28,5	2,19	Medium
3. Have you ever received complaints from customers,	18	42,8	10	23,8	14	33,3	1,66	Not good
4. Are products easily found in each shop?	21	50,0	8	19,04	13	30,9	2,1	Medium
5. Do you think the price of your product can compete in the market	21	50,0	7	16,6	14	33,3	2,16	Medium
6. Does the product marketing reach other cities?	19	45,2	10	23,8	13	30,9	2,14	Medium
7. Do you see the importance of product promotion	30	71,4	2	4,76	10	23,8	2,47	Medium
8. Is the quality of your product guaranteed?	21	50,0	7	16,6	14	33,3	2,16	Medium
9. Have you ever received marketing / promotion assistance from the government?	34	80,9	5	11,9	3	7,14	2,73	Good
10. Does your product already have its own brand	20	47,6	0	0	22	52,3	1,95	Medium

In general, SMEs do marketing well enough, meaning that many SMEs market their products out of the area, so that they are well-known by people in other regions. It's just that the problem is that SMEs do not make

their own brands, and make brands that accompany famous brands. This means that SMEs have not dared to take the risk of competing with their own names. This is found in many products, even throughout Indonesia, which do not value domestic brands and tend to counterfeit brands. The average value of the application of marketing management is 2,165 which can be categorized as medium.

The majority of SMEs in capital are from their own capital and tend to be small. Indeed there are some who come from banks, but are very small. Some SMEs have also received bank funds (especially from fostered partners). For new businesses and legacy businesses - the channel turns out to have different capital. SMEs have difficulty in carrying out simple bookkeeping, due to inaccuracy and lack of knowledge in bookkeeping, and there is a sense of inadequacy in bookkeeping. This is what causes some actors to experience difficulties when adding capital by making loans to banks. Because the bank requires a complete financial report, with the aim of knowing the prospects of the business. This situation has caused UKM players to feel reluctant to deal with banks. Business and personal finance is often mixed so it is difficult to control the financial condition of the business.

Table 3. Implementation of Financial Management

Statement	Yes		Sometimes		No		Average Score	Noted
	Σ	%	Σ	%	Σ	%		
1. There is a separation of personal finance with company finance	15	35,7	9	21,4	18	42,8	1,92	Medium
2. There are regular financial records every day	16	38,0	8	19,4	18	42,8	1,95	Medium
3. Do you have an account with the Bank?	20	47,6	0	0	22	52,3	1,95	Medium
4. Do you make loans for business capital sources?	29	69,0	0	0	13	30,9	2,3	Medium
5. The loan terms are easy	29	69,0	0	0	13	30,9	2,3	Medium
6. There is training to compile financial statements	15	35,7	0	0	27	64,2	1,7	Not good
7. Do you make your business financial statements even though your business needs analysis internally	10	23,8	12	28,57	20	47,6	1,76	Not good
8. Before you start a business and invest your time and mind money, do you conduct a feasibility study of your business?	17	40,4	0	0	25	59,5	1,8	Medium
9. Do you make details of your business expenses	21	50,0	5	11,9	16	38,0	2,11	Medium
10. Do you make details of the receipt of your business	21	50,0	5	11,9	16	38,0	2,11	Medium

Many SMEs do not book books, even the simplest, for reasons that are too complicated and require discipline. In the world of banking, the existence of good financial management is one of the conditions for borrowing. Loans provided will provide greater business opportunities because they can increase capital. . The average value of the application of financial management is 1.99 which can be categorized as medium.

Most SMEs receive orders that are ordered, mainly from customer orders, but some are not based on orders (although this type of production is not too large). For orders, usually the type and type of product is standard according to the request of the business partner (partnership program) or the customer who carries the example. For orders that are not ordered usually depend on market demand that can be captured by them a little. For this type it is not uncommon to copy the types of ordered products (from foster partners) or product returns. Simple equipment greatly influences the possibility of product innovation on an ongoing basis. There is no radical innovation in the production process, everything goes as it is (tends to be reactive to the possibility of product innovation)

Table 4. Application of Production Management

Statement	Yes		Sometimes		No		Average Score	Note
	∑	%	∑	%	∑	%		
1. Your facilities and infrastructure are good	21	50,0	8	19,4	13	30,9	2,19	Medium
2. Your business location is easy to reach	22	52,3	0	0	20	47,6	1,61	Not good
3. Raw materials are easy to obtain	25	59,5	9	21,4	8	19,4	2,4	Medium
4. Control the quality carefully in the production process	18	42,8	10	23,8	14	33,3	2,09	Medium
5. Calculate production capacity	16	38,0	8	19,4	18	42,8	1,95	Medium
6. Total production according to market needs	17	40,7	12	28,5	13	30,9	2,09	Medium
7. Inventory of goods is always guaranteed	10	23,8	18	42,8	14	33,3	1,9	Medium
8. Making additional workforce when experiencing an increase in demand	12	28,5	20	47,6	10	23,8	2,04	Medium
9. When experiencing an increase in demand, do overtime	20	47,6	10	23,8	12	28,5	2,19	Medium
10. The machine is often damaged	19	45,2	15	35,7	8	19,0	2,26	Medium

Production management is very important, which involves production capacity, inventory, quality, human and work systems, layout issues, as well as several other related matters. As SMEs, the production process of SME products needs to be managed so that they can run effectively and efficiently and have an impact on business competitiveness. Because of the lack of knowledge, the SMEs are managed based on what the owner knows, without trying to find additional knowledge. The average value of the application of production management is 2.15 which can be categorized as medium.

From interview and FGD data collection, it is known that small and medium enterprises (SMEs) play an important role in the Indonesian economy, especially in Medan, both in terms of the number of establishments and in terms of job creation, small businesses including businesses. household or micro (i.e business with total sales (turn over) a year which is less than Rp.1 billion), in 2000 it covered 99.9 percent of the total businesses engaged in Medan. Whereas medium businesses (i.e businesses with total annual sales ranging between Rp. 1 billion and Rp. 50 billion) cover only 0.14 percent of the total number of businesses. Thus, the potential of SMEs as a whole includes 99.9 per cent of the total number of businesses engaged in Medan. The large role of SMEs indicates that SMEs are the dominant business sector in absorbing labor.

Of the 224,000 micro, small and medium enterprises (MSMEs) operating in Medan, 7,800 units are engaged in the creative industry. It's like advertising, architecture, art, crafts, design, fashion, film, music, performing arts, and publishing. The potential of the creative industry in the city of Medan is also very large. As the gateway to western Indonesia, Medan City is a strategic place for the development of creative industries. Although not like the city of Bandung or Yogyakarta, but slowly young people of Medan City began to emerge to enliven the creative industry competition in this city

One of the efforts made by the city government to develop the creative industry in Medan is to mediate business actors with capital owners, both through banks and other institutions. If grouped by type of business, MSMEs in Medan City are mostly in the form of salons, transport businesses, and expeditions which reach 198,000 business people. Meanwhile, for trading businesses, such as small food vendors, stalls to kiosks, it reaches 17,000 business people. This means that there is a tendency to increase MSMEs every year.

The Micro Small Medium Enterprises (MSMEs) of Medan City in recent years continue to "squirm" with the increasing number of people who pursue home-based businesses as their main livelihoods as well as side-by-side. to become an entrepreneur who is also capable of opening new jobs. So that the high unemployment rate which is currently increasingly alarming especially in the productive age group can be increasingly suppressed.

In order for these MSMEs to continue to survive, especially to deal with the ASEAN Economic Community (AEC), they continue to strive to provide assistance, especially in terms of marketing of produced products and promotions so that the wider community is more familiar with existing production.

Training and exhibitions are also routinely held, not only in the city of Medan but in various regions in Indonesia, with the hope that the human resources and quality of production produced are increasingly scattered and increasingly popular with the public along with the government's appeal to love domestic products. the importance of course is that MSME players must also be creative in producing innovative and quality products so that they can compete with outside products.

Table 5. SMEs SWOT Matrix

	Strength	Weakness
	<ul style="list-style-type: none"> a. In general, workers from SMEs are family and the surrounding community b. Providing incentives to workers c. Take part in training d. Effective promotion e. Innovation f. Promotion assistance g. Competitive price h. Products are easy to find i. Product-specific focus j. Low cost structure k. Owner's equity l. Operational flexibility 	<ul style="list-style-type: none"> a. Limited quality of human resources b. Low compensation c. The mentality of SME entrepreneurs d. Monotonous ability e. Weak business network f. Marketing difficulties g. Location difficulties h. Simple packaging i. Not paying attention to the PLC j. Don't make a brand k. Lack of capital l. Weak financial record m. Raw material problems Technology limitations
Opportunity	<ul style="list-style-type: none"> a. Develop internet-based marketing to expand market share not only in Medan City but also outside Medan City b. Introducing various product variations by making product patents c. Collaborate with several agencies to develop web portal-based MSMEs d. Utilizing coaching / training to learn innovation in other regions e. Linking SMEs to tourism in the SMEs region is located 	<ul style="list-style-type: none"> a. Make your own brand with assistance from the Government b. SMEs are looking for alternative raw materials c. SMEs are looking for customers or pareto distributors to increase promotions and sales d. Utilizing training held by state-owned companies to improve employee skills and expertise e. Utilizing information technology to penetrate the market
Threat	<ul style="list-style-type: none"> a. Because it is an informal sector, it tends to be less desirable b. The issue of minimum wages backfires c. Business Climate Is Not Fully Conducive d. Limited Market Access e. Limited Access to Information f. The increase in fuel prices has caused an increase in raw material prices g. Lack of access to funding because it does not have a financial report h. Limited Facilities and Infrastructure i. Illegal Charges j. Free Trade Implications k. Properties of Products with Short Resilience 	<ul style="list-style-type: none"> a. Maintain regional characteristics b. Providing subsidized fuel with a special mechanism for SMEs c. Broadly encompass SME participation in coaching related institutions d. Join institutions or small industry existing in the city of Medan so that SMEs have the same standards to be able to compete at a broader level e. Make innovative packaging with typical brands

Aspects of Management of human resources is one of the functions in the company that is important to put human resources (HR) competent in their fields. SMEs are medium and small scale companies, but their development is also very dependent on the competence of their human resources. Some things that need to be

considered in relation to the company's human resource management aspects are employee planning, job description, employee training, compensation, performance evaluation.

Aspect Marketing management is very important to ensure the product is consumed by consumers, and there is continuity in its sales. Modern marketing has changed to an information technology-based system, so SMEs need to know online marketing. SMEs need to know more about information technology that can be empowered to introduce it to a wider market.

Aspects Production management is playing an important role, where SMEs need to ensure the sustainability of their production. Effectiveness and efficiency of production affect the number of workers, and also determine the selling price of products. SMEs need to ensure that they deliver quality products to consumers.

Financial management will help SMEs to measure improvements in their business performance. Systematic and structured recording makes it easy for SMEs to see where the problems are and find solutions to their solutions.

To apply this SME management strategy will require the support of various parties, well, with the CSR program being carried out at this time can be a program for agencies to introduce / socialize management strategies as well as an evaluation to get feedback for future improvements.

5. Conclusions and recommendations

Optimization Strategy for SME Management is designed to be used as a guideline for the management of SMEs. Management of SMEs is seen from the aspect of human resources, financial aspects, and aspects of production and operations are not going well. In the division of human resources the division of tasks and responsibilities for each employee is unclear. In the financial section, bookkeeping has not been done every day. In the production and operational section, it has not been able to determine production capacity efficiently, while the existing marketing aspects in the company have not run optimally, it can be seen that there is no special division that handles marketing. Government and private companies need to provide training for SMEs in terms of management (human resources, production, finance and marketing). In addition, there is a need for openness from all agencies regarding the existence and potential of SMEs. Plus the ease of access from relevant agencies to provide the facilities needed by SMEs so they can develop well.

References

- Birley, S., 2007. Marketing Entrepreneur And Bussines Performance. Journal SMEs : Marketing Entrepreneur, Vol.3.No.7.
- Bjerke, B., 2005. Managing Entrepreneurship On Whose Terms? In Research at the Marketing/Entrepreneurship Interface , Edited by Hills, G. And Miles, M. Chicago: University of Illinois at Chicago.
- Bjerke dan Hultman, 2006. Marketing Entrepreneurship and National Culture, In Research at the Marketing Entrepreneurship Interface. Chicago: University of Illionis at Chicago.
- Casson, M.C., 2002. The Entrepreneur : an Economy Theory, Oxford: Martin Robertson
- Carson,D., Cromie, S., Mc. Gowan, P. and Hill, J., 2007. Marketing And Entrepreneurship in SMEs – An Innovative Approach, London : Prentice Hall.
- _____, David and Cromie, S., 2008. Relation Marketing Entrepreneur and Bussines Performance. Journal SMEs: Marketing Entrepreneur, Vol 4, No. 1.
- Crosier, K., 2006, What Exactly is Marketing? Quarterly Review of Marketing, Voll (2).
- John, Reynald, Pane, Lancaster, Geoff, 2006. Entrepreneurship and The Small to Medium Sized Entrepries. Management Decision, Vol.44, Issue 5, p. 581-587.
- Foremen–Pick, James, Moke Peace, Morgan, Brian, 2006. Growth Sales and Profitability of Small and Medium Sized Entreprises. Some wlesh evidence. Regional Studies, Vol.40, Issue 4, P. 307-320.
- Gummesson, C., 2006. Making Relationship Marketing Operational, International Journal of SMEs, 5, No. 5, 5-20.
- Hills, Gerald, 2008. Marketing and Entrepreneurship, Research Ideas and Opportunities. Journal SMEs of Research Marketing and EntrepreneurshipVol. 2 No. 4
- Hultman, Miles, Morgan, 2008. The Evaluation and Development of Entrepreneurial Marketing. Journl of Small Business management, Vol. 46, Issue 1, P99-112.
- Keeh, Hean Tat, Nguyen, Mai, Ping , 2007. The Effects of Entrepreneurial Orientation and Marketing Informationon the Performance of SMEs. Journal of Bussines Venturing, Juli. Vol.22, Issue 4, P.592-611.
- Kocak, Akin, Ambibola, 2009. The effect of Entrepreneurial Marketing on Born Global Performance. International Marketing Review, Vol. 26 Issue 4/5, p. 439-452.
- Kohli, A., and Jaworski, B, 2005. Market Oriented : The constrauct, Research Preposition ang Managerial Implication, Jurnal of Marketing, April, Vol 541-18.
- Man, Thomas, Theresa, Snape, Ed. ,2008. Entrepreneurial competencies and the Performance of SMEs: An Investigation Through a Framework of Competitiveness. Journal of Small Business &

- Entrepreneurship. Vol.21, Issue 3, P.257-276.
- Marcati, Guido, Eluso, 2007. What is Marketing for SME Entrepreneurs? The Need to Market The Marketing Approach. University of Salento, Lecce, Italy.
- Petruska, 2007. The Marketing of Research and Development at The University. Departemen of Applied Economics Budapest University of Technology and Economics, Hungary. Periodica Polytechnica SER. Soc. Man SCI, Vol 9, No.1 PP 35-42.
- Scarborough, N.M., and T.W. Zimmerer, 2005. Essentials of Entrepreneurship and small business management 4th Edition. Upper Saddle River, Nj: Prentice Hall, Inc.
- Stokes, D., 2007, Putting Entrepreneurship Into Marketing, Journal of Research in Marketing & Entrepreneurship: Vol. 2 No. 1: Spring.
- United Nations Economic Commission for Europe, 2004. Entrepreneurship and SMEs, United Nations, New York and Geneva (Switzerland).