Development Model Strategy Of MSMEs Local Food Product To Increase Regional Advantages: Triple Helix Approach (Case Study In Kepulauan Meranti and Bengkalis, Riau Province)

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ABSTRACT: People's economy contributes to project development including local small and medium enterprises in Kepulauan Meranti and Bengkalis districts, but several improvements are needed, therefore formulating strategies for local and district development. Methods in this study using qualitative research with data analysis method using EFE matrix, EFE matrix, and SWOT 8K matrix. The Model development strategy uses the Triple Helix approach. The result of analysis using data analysis method shows the condition of MSMEs local food in position / condition of stabilization, but stability which almost show to retrectment position. Using Triple Helix some strategies that can be done by the government, MSMEs local food, and University are maximaze existing Programs, make training on strategies, programs made by the government, and focus research and community service at MSMEs Local food.

Keywords: Model Development Strategi, MSMEs Local Food, Triple helix Approach.

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1. INTRODUCTION

Riau Province is one of the fastest growing provinces in recent years [1], which is marked by the increasing number of investments made in various sectors such as hospitality, retail and property [2]. These conditions also provide opportunities for people to do supporting business and other supporting businesses on a small scale included in MSMEs. The growth of MSMEs is not only happening in Pekanbaru as the provincial capital, but also in every city districts [3]. The highest number of MSMEs is located in Pekanbaru as the provincial capital and the lowest is in Kepulauan Meranti .[4][5] For more details about the distribution of existing MSMEs in Riau Province see figure 1.

Figure 1. *Number of MSMEs in Riau Province.*
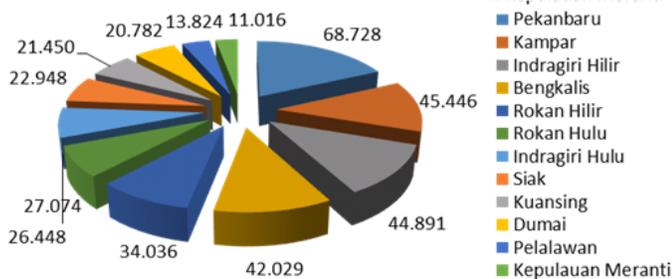
MSMEs Local Food in two regencies of Kepulauan Meranti and Bengkalis has a special characteristic in the product, Kepulauan Meranti is widely known as a center of typical food products from sago-based processed, such as sago noodles, sago pilus, sago mutiara and many other products that become source of income for the community. while the district of Bengkalis known by souvenirs in the form of dodol from fruits such as durian growing at this district, while the most famous food is dodol durian and lempok durian. Based on data from the local government of Kepulauan Meranti , the production of wet sago from 14 sago refineries in Sungai tohor reaches 600-700 tons per day. With prices ranging from Rp2.000 - Rp3.000 per kilogram, while dried sago or sago flour can reach Rp8.000 / kg. Obstacles faced by MSMEs in addition to developing sago-based derivative products, packaging sector to product marketing [6]. The inability of MSMEs in innovation often culminates in not being able to compete with similar business or successor business, which will eventually be out of business if not properly managed. According to [7] stated that the improvement of small business competitiveness can be done through two aspects, internal and external factors, internal factors such as research and development institutions, human resources capabilities, Human resources, technology, while external factors include partnership and capital support, government support for research and development, intellectual property rights, interaction with outsiders [8][9] [10] states that innovation is an opening opportunity for industrial

development because of the discovery of new products and process improvement, systematic and structured pursuant to the direction of its development is very rare obtained in the scale of MSMEs. One of the innovations that can be done is to use the "Triple Helix" or government synergy, college, and industry synergy methods to provide more assurance on the availability of this innovation, either product or business process [11]. The "Triple Helix" relationship can work well if its respective advantages are recognized and utilized as best as possible by instantly minimizing its weakness [12]. It is hoped that a mutually open and mutually beneficial relationship will be possible between academia and government, academia with business people and business actors [13].

2. METHODOLOGY

The research used qualitative method. (Sugiyono, 2011) suggests that qualitative methods describe and understand the meaning behind visible data. This research was conducted in two districts in Riau province namely kepulauan meranti and bengkalis district. the object of research is MSMEs which is specialized for local processed food products. The respondents are synergy of Triple Helix theory that is government, university, and MSMEs with sample taking model is purposive random sampling (Etikan, I., Moses, S. A., & Alkassim, 2016). In the method of data analysis using Internal factor evalutation (IFE) approach will emphasize the identification and evaluation of strengths and weaknesses of firms in the functional areas of business, including management, marketing, finance / accounting, production / operation, training and human resource development, management information systems, and the relationship between the business area (Collins & Winrow, 2010). Furthermore, using External Factor Evaluation (EFE) The environment is divided into five broad categories namely: economic strength, social, cultural, demographic and environmental strength, political power, government and law, technological strength, and competitive strength (David, David & & David , 2017). Furthermore, for Planner and strategy development will be effective by using SWOT analysis to achieve the objectives of the organization. The SWOT has four factors, namely the factors of strenght, weakness, opportunity and threat (Mahima Gupta, C haru Shri Dr, 2015), while SWOT-8K Matrix is the development of SWOT-4K matrix (Nofrizal, 2018). The SWOT-8K matrix has eight quadrants. Initially it consists of four main quadrants, from quadrant I to quadrant IV, and then each quadrant is divided into two sub quadrants A and B, so in the end the matrix has eight (sub) quadrants (Swarsono M, 2008) . While for the preparation of strategy model using Triple Helix approach (Feola, R., Vesci, M., Botti, A., & Parente, 2017)

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3. RESULT AND DISCUSSION

Evaluation of External Factors.

Evaluation of this factor aims to know and analyze how the influence and role of political, economic, social, environment, technology to MSMEs Local food in bengkalis district and Kepulauan meranti.First, from politics, business can not be separated from regulations and policies that have been made by the government in a State. the rules must be adhered to and implemented for the sake of business continuity. MSMEs Local food in Riau Province also can not be separated from regulations and policies set by the government, from some policies made by the government there are profitable MSMEs Local food there are also unfavorable MSMEs such as Government Regulation of the Republic of Indonesia No. 17 of 2013 on Enterprises Micro, small and medium enterprises consisting of 64 articles, Law Number 20 Year 2008 on Micro, Small and Medium Enterprises, Law no. 20 Year 2008 About MSMEs, KUR program, the government formed LPEI and the establishment of the Ministry of Cooperatives and MSMEs by opening a canteen offices in each district. Second, from the economic side Economic conditions have a strong impact on the performance of each business because it can affect the income or expense of the business. When the economy is strong, employment rates are high, and compensation paid to employees is also high. When the economy is weak, companies tend to lay off some of their employees and are unable to pay high wages. Since people have relatively low incomes in these conditions, they buy a small amount of products. MSMEs Local food depends on the economy of a country if the better the economic conditions of the country it will be better also economic conditions that can sustain the country's economy (Student & Email, 2016). In bengkalis district the level of economic development can be measured one of them with the GRDP figure. PDRB Bengkalis in 2016 with very large oil and gas reached 132,314 trillion rupiah. Meanwhile, without oil and gas only amounted to 80.656 trillion rupiah. In 2016 this real GDP without oil and gas reached 69.412 trillion rupiah. With the magnitude of this GRDP Bengkalis economy accelerated with 3.28 percent growth compared to the increase in 2015 by 3.27 percent. While the economic growth with oil and gas Bengkalis again contracted by 2.44 percent, this happens because the decline in crude oil production during the year 2016. This condition is suspected due to decreased productivity of old oil wells (Suhariyanto, 2017) Meanwhile, in Kepulauan Meranti the level of economic growth In general, the economic condition in Kepulauan Meranti during the period 2012-2016 shows the situation is getting better. This can be seen from the value of GDP that is increasing every year. Value of GRDP that created increased from the year 2010-2016. This is a general description of the magnitude of added value of gross production produced by Kepulauan Meranti (Hajiji, 2018). Thirdly, from the social side of Bengkalis to the population of Bengkalis, in 2016 was 551.683 people, with population growth rate of 1.63 percent or lower when compared with population growth in the previous year. Meanwhile, with an area of about 7,773.93 km2, on average every km2 in Bengkalis is occupied by 71 residents in 2016. It is seen that every year the greater the population density in Bengkalis, this happens because the population is always increasing while the area is unchanged. Meanwhile, the agricultural sector still dominates the labor market with a percentage of 39.02 percent by 2015 (Suhariyanto, 2017). Fourth, environmental conditions between Kepulauan meranti and Bengkalis as one of the districts located in Riau Province are located in strategic location, which is directly adjacent to Malaka Strait facing Malaysia and Singapore. Fifth, in terms of the use of technology in the communications sector in general looks an increasingly better picture in 2016. From the National Socio Economic Survey (SUSENAS) in 2016, calculated that as many as 96.94 percent of households using mobile phones, slightly decreased from the previous year has reached 96.41 percent. Even from the results of this survey illustrated the fact that most households using cell phones have two active mobile numbers (5.87%) (Suhariyanto, 2017). Based on the internal descriptions added with the data of the questionnaire distributed to MSMEs Local food, government, universities in both districts can be calculated the value of twigs based on the urgency of every factor that needs to be done quickly by the government, MSMEs and the University from each of them, each indicatorby using IFE matrix below table 1.

Table 1 : Matrik EFE (Eksternal Faktor Evaluation)

External Factor (Opportunity)	Weight	Rating	Score
Technological advances for food placement	11.3%	3.9	0.44
Technological advances such as WA, Internet, and Computers	11.3%	3.9	0.44
Realizing MSMEs and a strong Cooperative is the mission of Riau Province 2020	10.8%	3.7	0.4
Increased economic growth from 4.11% to 5.03%	10.5%	3.6	0.38
Ultra-Micro Micro Cooperative (Umi) co-operation program for business financing of Riau Province 2020	10.2%	3.5	0.36
Adjacent to Asian Countries like Malaysia and Singapore	10.2%	3.5	0.36
(Treath)			2.37
Easier MSMEs open businesses	10.2%	3.5	0.36
There are many products that people can choose when they want to buy local food products	9.3%	3.2	0.3
Limited suppliers for materials and tools for processing local food processing	8.4%	2.9	0.24
Competition of local MSMEs food products with imported food products from neighboring countries	7.8%	2.7	0.21
Total	100%	34.4	1.11
Diference			1.26

Source: (Processed data, 2018)

After weighing calculation to find the score value of each factors in the external environment, then the result of the calculation shows a positive value that is 1.26 after the previous done a reduction between the probability value of 2.37 between the threat value of 1.11. From the whole factors found the value of urgency to do handling and attention is about technological progress in this case about communication technology with value 0.44 and food processing technology with value 0.44, this is because driven by the rapid progress of information that is easily accessible using the internet like Whatapp , Facebook, Website, and Blog this is also delivered by (Castronovo, 2012). As for food processing technology has been found in the market but still constrained by the cost of purchasing tools and human resources (HR) capable of using these tools to improve the quality of product MSMEs local food in Bengkalis and kepulauan Meranti . According to (Devi & Candrika, 2011) can increase industry revenue. On the side of the threat found several factors that also need to be the attention of the government, MSMEs and Universities about newcomers with a value of 0.36 and replacement products with a value of 0.30, the results of the calculation of these two factors is influenced by the ease of new arrivals to become MSMEs local food in the second the districts are in large capital, have supporting facilities and expertise that do not require special education (Sevkli et al., 2012), besides the replacement products also have an effect on the development of MSMEs local food in the two districts, this is because by many products overseas products (Malaysia and Singapore) and new weekends into local markets in both districts due to the easy access of replacement products to market development and market incentives (Krush, Sohi, & Saini, 2015). Next do an internal evaluation see table 2 below Evaluation of Internal Factors. Evaluation of this factor aims to know and analyze how the influence and role of Human Resources, Business Process, Marketing in order to see which of the strengths and which are the weaknesses (Zhü, Zhao, Yang, Liang, & Gu, 2016). First, the condition of MSMEs Human Resources in bengkalis and kepulauan meranti. The influence of human resources is very important in developing the sector of MSMEs Local Food as the owner that determines the extent to which the results can be achieved by the business. The quality of human resources will affect the decisions and policies taken in the business of MSMEs Local food industry (Widodo, 2011). In terms of level of education, the average MSMEs industry entrepreneurs Local food has a primary education level of 16%, high school / high school 58% only partially have a Bachelor's education (S1) of 16% see figure 2. This low level of education affects the mindset insights and knowledge that can be viewed as weaknesses. Nevertheless, the mindset, insight and knowledge in a business are not only influenced by the level of education but also influenced by the experience possessed in running the business (Ramadhani,2012).

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Figure 2: *Local Education Level of MSMEs Regency of Meranti Islands and Bengkalis Regency*
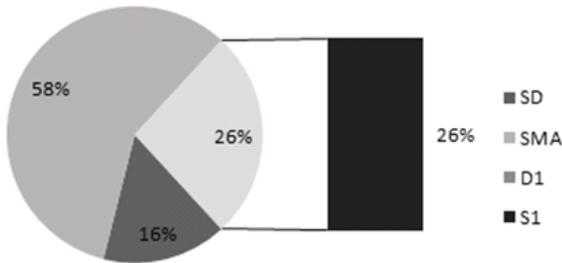
Secondly, Marketing is an activity of how producers make solid products accepted by consumers (Giles, 2013) MSMEs local food has Packaging but still not interesting. According to (Ab Talib & Abdul Hamid, 2014) Appearance of product packaging is a special attraction for consumers, by looking at the packaging of a consumer product will easily remember and recognize the product if one day later meet again with the product. According to (Alhusain, 2015) to date, product packaging has become one of the driving factors for potential buyers to purchase (Wijaya, W., Yulianeu, Y., Syaifuddin, T., & Wulan, 2017). Therefore, in addition to maintaining product quality, other things that need to be considered by MSMEs Local food is designing attractive packaging, and include the logo and product name in each product packaging, local products that are characteristic of the area that is Bengkalis and Kepulauan Meranti. Based on some of the local food products that is durian and sago noodles are well packaged and neat and unique, but of some products do not include the origin of the area from which the product is made and if there is not clearly describe where the origin of the product is. On the distribution side of MSMEs Local Food are distributed to various marketing areas ranging from local markets to big cities such as Pekanbaru, Jambi, West Sumatra. Distribution channels are not too wide. Mostly sold by producers to small stores or middlemen are sold directly to consumers. Manufacturers only sell directly to consumers if there are consumers who come to the manufacturer to buy. The producer sells to the Collectors in kilograms then the collectors will pack the local products for resale. The collectors then sell directly to consumers or distribute them to the typical food hawker centers located in the local market or even in new ones. In the promotion system conducted by MSMEs Local food in introducing its products to the wider community. Producers have been only able to rely on word of mouth promotion by traders and consumers in the market as well as promotional efforts undertaken by government agencies in districts and cities. Government agencies is Department of Industry Trade Cooperatives and MSMEs trying to provide training to entrepreneurs of local MSMEs products to make website promotional products through the internet some have done, but more through the local government website. However, until now there are manufacturers who are able to apply the training results by creating a blog or upload via social media such as Instagram, Facebook, WhatsApp and others. Third, In the business process of MSMEs local food a short process is also in a fairly long process Here is an example of sago-making process in Meranti district consisting of preparation of raw materials (sago starch, peanut oil, water) next sago processing tools (machine dough mixer, noodle printers, cooker sticks, table batter. Based on the internal descriptions added with the data of the questionnaire distributed to the local MSMEs, government, universities in the two districts can be calculated the value of twigs based on the urgency of every factor that needs to be done quickly by the government, MSMEs and University of each of them, each indicator by using IFE matrix below table 1

Table 2. *IFE Matrix (Internal Factor Evaluation)*

Internal Factor (Strength)	weight	Rating	Score
MSMEs are able to survive against crisis	6.69%	3.6	0.24
Local food MSMEs products are well known by the public	6.51%	3.5	0.23
Ease in opening and closing business	6.32%	3.4	0.21
Has the flexibility of ease in managing business	6.32%	3.4	0.21
Public confidence in MSMEs products is getting better	6.13%	3.3	0.20
The price of human resources is quite cheap	5.76%	3.1	0.18
Availability of raw materials available in some areas is still abundant	5.39%	2.9	0.16
(weakness)			1.44
Low if entrepreneurship, management, technology mastery, marketing techniques, and production processes	7.25%	3.9	0.28
The low desire of MSMEs owners to learn continuously	7.25%	3.9	0.28
Have a low education	7.06%	3.8	0.27
MSMEs condition / less attention to cleanliness in the production process	7.06%	3.8	0.27
Do not have a clear financial statement	7.06%	3.8	0.27
Owners of local food MSMEs are less aware of the procedures to enter the market of modern and export markets	7.06%	3.8	0.27
Not adhere to promotional techniques	7.06%	3.8	0.27
The production process does not have a well-organized management	7.06%	3.8	0.27
Total	100%	54	2.18
Difference			-0.74

Source: (Processed data, 2018)

After weighing calculation to find the score of each factors in the internal environment, the result of the calculation shows a negative score that is -0.74 after the previous reduction between the strength value of 1.44 between the weakness score of 2.18. From all of the weakness factor found the score of very urgency to do handling and attention that is about Low if entrepreneurship, management, mastery of technology, marketing technique, and production process 3.9, Low desire of owner of MSMEs to study continuously 3.9 and have education still low 3.8. while the power side is still weak to serve as the basis for the development of local MSMEs, this is because not yet maximal excavation of the power owned from the two districts.Based on the data obtained from the EFE and IFE matrix analyzed in the previous stage, it is continued using the SWOT 8K matrix that will provide real conditions where MSMEs Local food product from Bengkalis and Kepulauan Meranti. From matrix of SWOT 8K obtained position of matrix of MSMEs Local food in position of Stabilization, but very small value that is difference of opportunity with threat equal to 1.26, while difference between strength with weakness equal to -0.74 so that it could be down to survive, if not done serious subscription from government, UMKM eat local and university see picture 2 below.

Figure 2: *Matrik analysis SWOT 8K MSMEs Analysis Local Food Bengkalis and Kepulauan Meranti*
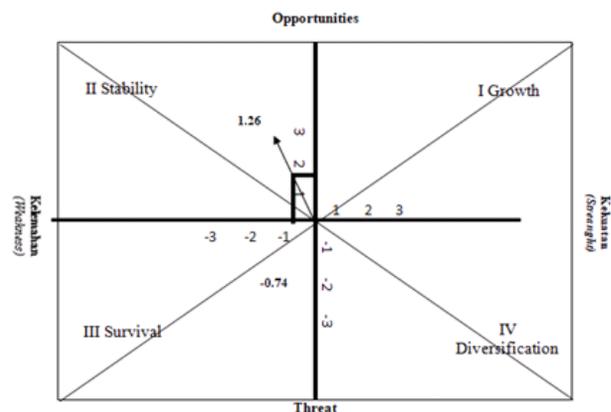

Source: (Processed Data , 2018)

Based on Figure 2 above, if the company is in a stabilization position in principle, this strategy emphasizes the non-increase of products, markets, and other corporate functions, because the company seeks to improve efficiency in all fields in order to improve performance and profit. This strategy is relatively low risk and the cost is done for the product that is in the position of maturity (Thomas L Wheelen, J David Hunger, Alan N Hoffman, 2015), it can be determined some of the strategies to develop local MSMEs that are in the position of stabilization. According to (David et al., 2017) the Strategic Break (pause strategy) or the strategy of

continuing with caution (strategy wint caution strategy), the strategy without change (no change strategy) and profit strategy (profit strategy). After seeing the situation using EFE, IFE and SWOT 8K at MSMEs Local Food for Bengkalis and Kepulauan Meranti, then compiled some development strategies for MSMEs Local food using a simple model see picture 3 below.

Picture 3. Development model strategy of MSMEs local food using Triple Helix Approach.

Source: (Prossed Data ,2018)
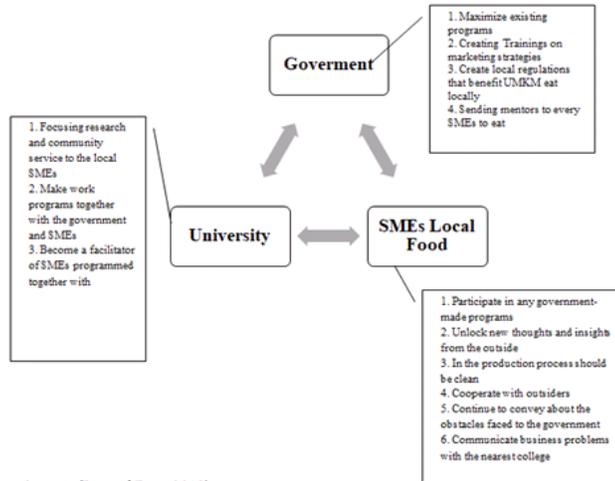
4. CONCLUSION

Bengkalis and kepulauan meranti that have the potential to be developed to improve the economy of the community, where Kepulauan Meranti district has extensive sago palm plantations as feed ingredients that can be made product diversification or product development, while bengkalis has the advantage in the field of durian plantation.These advantages can all be to improve the competitiveness of the region, but should mix the government and the general public. The results of this study show that MSMEs local food kepulauan Meranti and Bengkalis districts in a stabilized state based on the results of EFE Matrix, IFE, and SWOT 8K Matrix analysis. While the model of MSMEs development strategy to local food product from the two districts using Triple Helix approach, some strategies that can be used are for the government, maximizing existing programs, Creating Training on marketing strategy, Making local regulation which benefit MSMEs local food, and Sending mentors to every local MSMEs. For MSMEs Participate in every program made by the government, Opening new thoughts and insights from outside, In the production process must be clean, Cooperate with outsiders, Continue to convey about obstacles faced to the government, Communicate business problems with the nearest universities. For the University, focusing research and community service to the local MSMEs specially for local food product, Making a work program together with the government and MSMEs, Become a facilitator of MSMEs that arranged the program together with the government and MSMEs local food product.

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