

# A Conceptual Model To Strengthen Entrepreneurial Innovation In Coastal Areas

Rina Uswatun Hasanah, M. Syamsul Maarif, Nimmi Zulbainarni, M. Joko Affandi

**Abstract:** This study aims to identify and analyze the strengthening factors of entrepreneurial innovation in coastal areas. Data collection was obtained through in-depth interviews with 16 experts and questionnaires to 172 business actors in coastal areas of Indonesia. The Soft Systems methodology is applied to the data analysis method. The results of the analysis show that there are internal and external factors that influence the strengthening of entrepreneurial innovation. External factors include pillars in the entrepreneurial ecosystem. Internal factors include skilled human resources and motivation through the passion dimension. This study will help local governments identify factors and define conceptual models for strengthening entrepreneurial innovation in coastal areas. This study describes a new concept of strengthening entrepreneurial innovation through the entrepreneurial ecosystem approach, where the pillars in the entrepreneurial ecosystem are factors that can increase the ability of entrepreneurial innovation.

**Keywords:** Entrepreneurial Ecosystem, innovation, motivation, Soft System Methodology

## 1 INTRODUCTION

Entrepreneurs are important actors in business development. The back and forth of a business is influenced by the entrepreneur's ability to regulate the running of the business. The progress of a country is supported by the number of entrepreneurs who have the attitude and nature of innovators, because the growth of entrepreneurs and innovative industry players has a chain effect on the economy, such as increasing labor absorption and national economic resilience. Today, most of the unicorn companies are growing and developing in the capital city. Jakarta as an economic center does not only cover urban areas but includes a very potential coastal area and has a progressive economic value known as Jakarta Bay. The phenomenon of the arrangement of coastal areas lately has always been a marginalized vision. As a result, many business actors in coastal areas are unable to maximize their creativity and innovation capabilities, so they do not provide opportunities to create jobs. The small and medium scales of new or growing businesses were more flexible in responding to changes in the form of business diversification or shifting to a different type of business. Their growth could have a positive impact on the development of economy, specifically with the creation of the employment as well as the development of innovation and social value [1]. Currently, many business actors find it difficult to implement an innovation in their business as it cannot just emerge such as equipment that can only be bought and used immediately [2]. Innovation is about how to realize ideas that encompass a series of idea-based improvement processes for instance the technological change, and the improvement of organizational, financial and commercial activities [3]. Drucker [4] mentioned that there were a number of compulsions that must be implemented in innovation such as a systemic goal by analyzing opportunities, being conceptual and perceptual, simple and focused, trying to do something unique and leading to leadership. As the capital city, Jakarta is a magnet for business people in starting a business career since it is the center of the economy, business, finance, industry and trade [5]. On the other hand, Jakarta also has a very potential coastal area that has progressive economic value, the gulf of Jakarta [6]. In the last few years, the arrangement of the coastal areas, specifically the gulf of Jakarta, has always been seen as a marginalized vision. In fact, if you remember Indonesia's

history, the coastal areas should be prioritized as the development point. Many cities in Indonesia are located along coastlines such as Padang, Medan, Tanjung Karang, Semarang, Surabaya and Jakarta. Some characteristics of the coastal communities that hinder the innovation are being lazy, giving up on fate easily and having a lack of work ethic [7]. Those characteristics were also embraced by the coastal communities in Jakarta, particularly in districts Cilincing. Most people there think that something that happens to their life is fate [8]. The other problems encountered by the coastal communities include the lack of ability to use modern technology, the low levels of education and quality of human resources, and the very low levels of productivity [7]. Various innovations that are adequate are needed to generate the established entrepreneur. The result of the study from Hsu [9] revealed that the industry and small businesses are frequently unable to achieve organizational innovativeness, even though innovation can be the main driver of the economic growth [10]. A business could maintain its market position and improve its efficiency of product and service via innovation [11]. Strengthening entrepreneurial innovation is vital as 1) technology changes very quickly along with the development of new products, processes and new services from competitors, 2) the effect of environmental changes on product life cycles is getting shorter, 3) consumers are now smarter and they demand fulfillment in terms of quality, updates, and prices, 4) rapidly changing markets and technologies, good ideas can be more easily imitated, and this requires new and better product use methods, processes, and faster services, 5) innovation could yield growth acceleration, market segments improvement, and a better corporate position [12]. From the description that has been mentioned, there are several phenomena found that so far research on increasing innovation has been at the organizational level, and research at the individual level is still limited [13]. Researchers also argue that innovation studies conducted in non-technological areas or those related to individuals are still limited [14]. So this study explains how the conceptual model of strengthening entrepreneurial innovation in coastal areas and finding out what factors influence the strengthening of entrepreneurial innovation.

## 2. LITERATUR REVIEW

### Entrepreneurship

Entrepreneurship is the dynamic process to generate the added value on goods and services as well as prosperities [15]. Drucker [4] defined entrepreneurship as the capability to create something new and different. Zimmerer and Scarborough [16] stated that the entrepreneurship is the implementation process of creativity and innovation in order to solve the problem and find the opportunity in daily life. Entrepreneurship is the mental and soul attitudes that are always actively or creatively empowered, inventive, initiative and modest in striving to improve income on business activities (Tunggal, 2008). Schumpeter [18] defined entrepreneurship as a structural change in the economy, and entrepreneurship is an innovation. The innovation here means that the innovation of entrepreneurs that is applied with new combinations such as new types of products, new production techniques, new market opportunities. Entrepreneurs act not only as the true inventors, but also they adopt other people's inventions. Schumpeter was the first person to emphasize the role of innovation in the entrepreneurial process. The key to the entrepreneurial activity is the entry of competition with new combinations that drive the dynamic economic change. Innovation is an important factor in entrepreneurship [18].

### Entrepreneurial Ecosystem

Entrepreneurial Ecosystem consists of two components, the first one is entrepreneurship which is the process of applying creativity and innovation to solve problems and find opportunities in daily life. The essence of it is the ability to create something new and different through creative thinking and innovative actions to create opportunities by deploying time and activities with capital and risk as well as receiving rewards, satisfaction and personal freedom [16] [18] [19]. Then, the second one is ecosystems, which do not literally mean biology, yet ecosystems are a community of actors who are interdependent [20]. Isenberg [21] stated that the entrepreneurial ecosystem structure includes the pillars of (i) a conducive culture (tolerance to risk and failure, positive perceptions on entrepreneurship); (ii) supportive policy and leadership (regulatory incentives, role of public research institutions); (iii) availability of suitable financing (perspectives from investors, venture capital, micro credit); (iv) human resources (HR) (skilled and unskilled, training institutions); (v) friendly market in absorbing new products (conducive to new products, responsive consumers to new products); and (vi) various institutional and infrastructure supports (legal and accounting advocacy, information communication technology, associations that support entrepreneurial development).

### Entrepreneurial Innovation

Entrepreneurial Innovation is new works (material or intangible form) that have significant economic value, which are generally implemented by companies or sometimes by individuals [22]. According to De Jong [23] There were four dimensions of innovative behavior: 1) Observing opportunities, the innovative processes are determined by opportunities. The opportunities will trigger individuals to find ways to improve service, delivery processes, or try to think of a new alternative on work processes, products or

services. 2) Finding ideas, generating a concept for improvement. Finding ideas is a reorganization of existing information and concepts to improve performance. Individuals who are good in this aspect will be able to find the solution from a problem given with a different way of thinking or mechanism. 3) Endeavor that involves getting support and building coalitions, such as engaging and influencing employees or management, and negotiating a solution. 4) Application, individuals not only think of creative ideas about something but also apply these ideas into real action. The creative ideas of individuals are protected by copyright laws.

### Entrepreneurial Motivation

The motivation is a basic need that human needs and one of which is need for achievement [24]. If it is applied to entrepreneurs, there will be a need for entrepreneurs to always strive to achieve the best quality of their works. The need for Achievement in entrepreneurs affects other achievements in business such as the innovative behavior. The innovative behavior will always demand to create something that can prove the level of achievement of success as the entrepreneurs. McClelland [24] in his theory, McClelland's Achievement Motivation Theory was deployed to support the analysis that would be discussed in this study. The theory stated that an individual has the potential energy stock, how this energy is released and developed depends on the strength or motivation of the individual and the situations and opportunities available. This theory focuses on three needs, the need for achievement (n-ach), the need for the power (n-pow) and the need for affiliation (n-afil).

## 3. RESEARCH METHODOLOGY

This study use a qualitatif method and the research was taken in Indonesia, focusing on the coastal area of Jakarta Bay in districts Tanjung Priok, Koja and Cilincing. The object of this research was new and advanced (established) entrepreneurs, who were recruited by the local government through the Department of Industry and Trade, Cooperatives, Small and Medium Enterprises, North Jakarta Administrative City, and they were entitled to participate in the Integrated Entrepreneurship Development program in their own regions.

### Types and Sources of Data

The types of data used in this study were primary and secondary data. The primary data were collected using an expert survey method representing the stakeholders that aim to yield the justification more precise and objective. The method used was the individual depth interviews (IDI) to the experts who were selected and determined deliberately (purposeful sampling) according to their expertise and experience. The instruments of the data/information collection were the expert questionnaire which was distributed to the experts and focus group discussion (FGD). The respondents in this study were divided into two groups for instance the 16 expert respondents and the 172 business actors. The provisions of the sample of respondents in this study were determined based on the research needs. The experts in this study were people who are experts in the field of entrepreneurship and understand the research problems. They were the representatives of the government, education and training institutions, the entrepreneur community,

academics and researchers, and local community leaders. The research sample was selected by following the principles of adequacy and suitability. Therefore, the number of informants was not the main determining factor in this study, but the completeness of the data required [25]. According to Faisal [26] the concept in a qualitative research sample is closely related to how to choose the informants or certain social situations which can provide reliable and trustworthy information through the existing elements. Moleong [27] stated that sampling in a qualitative research aims to extract as much information from the source as possible and detail the specificities that exist, which form the basis of the emerging designs and theories.

### Soft System Methodology (SSM)

This study used the Soft System Methodology (SSM) approach. SSM is a system approach that is used to comprehend a problem, build a conceptual model, get the feasibility and the desired changes and implement it [28]. The SSM methodology is implemented based on the action research as a way to understand complex matters since the structure is shapeless, and it has a fairly high level of complexity and an internal orientation [29]. The essence of the system concept is two pairs of ideas which are the emergence and hierarchy as well as communication and control [30], which is performed through the application of SSM steps. The seven stages of SSM according to Checkland and Scholes [30] are shown in Figure 1.

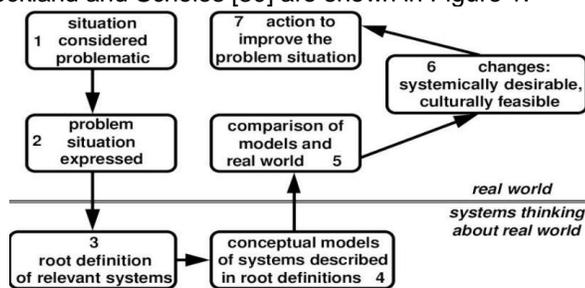


Figure 1. Seven Stages of SSM

The characteristic of Soft System Methodology (SSM) is carried out through the application of seven steps [30]. The first step is a situational analysis of the context of the problem. At this stage, the researcher wants to see how the situation for the innovation development of business actors. The second step is to find out what are the problems associated with the various interested parties in terms of their needs, roles and responsibilities. The output of this stage is in the form of a Rich Picture, which describes the relationship between one party and another. The third step is to define each group's role into an approach called CATWOE (Clientor Customers, Actors, Transformations, World view, Owner and Environment constraints). The fourth step is to design a conceptual model that explains the relationship between activities and other activities. The conceptual model describes the input-process-output relationship between one activity and another. The fifth step is compiling an agenda of activities that will be carried out in real terms in the field and at the same time making comparisons between the real world and the conceptual model that has been previously designed. The sixth step defines the changes that are possible to implement. A debate between experts will most likely occur at this stage. Some of the changes that may occur include changes in

procedures, changes in structure or changes in attitudes and culture in the form of changes in values, norms or ways of thinking. The final step or the seventh step is to take corrective action, especially on the model that has been built. The process in SSM does not end here, but continues to make improvements to the model as the environment changes.

## RESULTS AND DISCUSSION

The results of the survey were obtained from the questionnaires that were responded by 172 respondents in districts Koja, Cilincing and Tanjung Priok. The respondents were consisted of 101 male business actors (58.72%) and 71 female business actors (41.28%). The composition of the respondents based on the group of age was dominated by the business actors who were over 50 years old. There were 69 people (40.11%) aged over 50 years old, 58 people (33.72%) aged 40-50 years old, 34 people (19.77%) aged 30-40 years old and 11 people (6.4%) aged 20-30 years old. Based on the type of the business, there were 75 business actors (43.60%) who were engaged in seafood trading and cultivation, 53 business actors (30.81%) in culinary, 22 business actors (12.79%) in fashion, 18 business actors (10.47%) in grocery store, and 4 business actors (2.33%) in handicrafts. The composition of this classification can be seen in Figure 2.

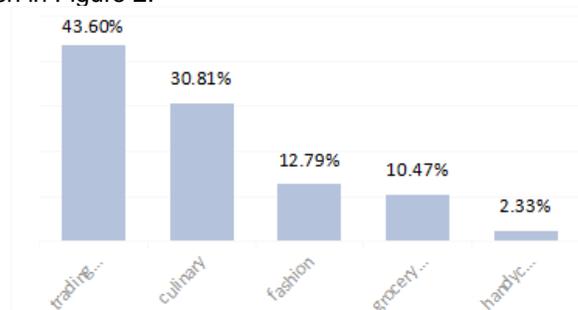


Figure 2. The Composition of the Respondents Based on the Type of the Business

According to Table 1, the results of the analysis revealed an increase on the development of entrepreneurship in the coastal area of Jakarta in 2018-2019, specifically in these three districts: Koja, Tanjung Priok, and Cilincing. This development was influenced by the support of regulations from the government of DKI Jakarta Province and funding assistance for the implementation of the Integrated Entrepreneurship Development. Basically, districts Koja, Cilincing, and Tanjung Priok have a very good potential considering their broad area and high population density.

Table 1. The Number and the Growth of Entrepreneurship in the Coastal Area of Jakarta in 2018-2019

Name of District	2018	2019	Growth (%)
Koja	1167	1164	-0.26
Tanjung Priok	908	1310	44.27
Cilincing	874	1329	52.06
TOTAL	2949	3803	28.96

Based on the interviews with the experts and the business actors, it was revealed that there were the internal and

external factors that determine the strengthening of entrepreneurial innovation. The internal factors are the factors that come from within the individual business actor, such as competence, motivation, ability to use information technology, and passion. Baron and Shane [31] emphasized that the business actors who have high growth play characteristics that are capable to contribute to business success. Passion is an attitude and self-awareness that is in accordance to a strong desire to realize business goals [31]. According to Riana [32], passion is a power that keeps a person going, no matter what obstacles that block the way. Tenacity is defined as persistence, diligence, fortitude, and determination [31]. Persistence is a dimension of motivation which is a measure of time in maintaining their business. Motivated individuals will persist in performing a task for a long time to achieve their goals [33]. Tenacity will help an entrepreneur to find a way out when what has been attempted faces obstacles [34]. The external factors in strengthening innovation are the elements in the environment that can influence the strengthening of the entrepreneurial innovation. In this study, the external factors are the entrepreneurial ecosystems that have pillars influencing the strengthening of the entrepreneurial innovation. This is in line with the research issued by Stam and Spigel [35] which stated that there is a correlation between the entrepreneurial ecosystems and clusters, industrial estates and innovation systems. The entrepreneurial ecosystem is a framework that has interdependent and interconnected pillars, as well as the interaction between actors and factors in an area. Research that were conducted by Neumeyer and Santos [36] and Purbasari [37] revealed that the entrepreneurial ecosystem is an adequate framework for studying the interdependence and correlation between various actors who interact with complex economic systems such as individuals, organizations, entities, local, regional and national institutions, policy makers and stakeholders. The socio-economic characteristics of the coastal communities in Jakarta Bay generally worked in the marine sector such as trading and cultivation of marine products. Besides, there were communities who run businesses in other fields such as culinary, handicrafts, accessories and fashion. The progress of the life pattern in the capital city of Jakarta had an effect on the lives of people in coastal areas. The formation of the culture followed the dynamics of the resources that the people worked with. Moreover, the high business risk caused the coastal communities to live in a harsh atmosphere that was always filled with uncertainty in running their business. The settlement of the coastal community of Jakarta Bay in districts Tanjung Priok, Koja and Cilincing were fairly dense. districts Cilincing is an area that has not been well organized so it seems slum. There are many migrants from various regions who chose to stay and settle in Tanjung Priok, Koja and Cilincing since these three areas are close to port and bus station. Behind the diversity of the ethnic groups in these regions, there are interesting things in their social life, including a strong sense of brotherhood among the business actors who come from the same hometown. For instance, the association of catfish pecele sellers from Lamongan and other region of East Java, the association of fish and timber traders from Bugis, the community of food stallers from Tegal, and the association of grocery entrepreneurs from various regions. The spirit of

mutual cooperation among those people is strong as they have a common fate that makes the sense of kinship stronger even though they do not have brotherhood or blood relations.

### **Conceptual Model through Soft System Methodology Approach**

The result of SSM study shows that the actors playing roles in increasing the ability of entrepreneurial innovation are the Centre Government and DKI Jakarta Government. The Centre Government involves the Coordinating Ministry for Maritime Affairs and Investment (Kemenko Marves), while DKI Jakarta Government involves Marine and Agricultural Food Security Services and the Industry and Trade Office for Small and Medium Enterprises Cooperatives. Moreover, academic mentors, social communities, families, and consumers contribute to the innovation of business. In addition to the actors, some factors and processes also influence the strengthening of entrepreneurial innovation. These actors, factors, processes, and enthusiasm are interrelated and can create a dynamic entrepreneurial ecosystem. The pillars in the entrepreneurial ecosystem considered in this study are the external factors in strengthening the entrepreneurial ecosystem, such as human resources, education, financing, markets, policies and supports. In this study, the business actors in the coastal areas in Jakarta, specifically in Koja, Tanjung Priok and Cilincing, faced some limitations in running a business, such as having low educational background, having limited skills and knowledge in utilizing technology to develop their business for some people, having limited capital and access to marketing, lacking of creativity, having unsupporting environment, having low motivation and willingness causing them unable to improve their ability to innovate. The way to express the real world situation that are considered problematic, which is commonly utilized in SSM, is by using a rich picture. Rich Picture (RP) is a tool to describe as much information as possible relating to problems in reality. Horan [38] asserted that rich picture is a common communication tool and flexible in doing the learning process. Rich Picture, in this study, can be seen in Figure 3.

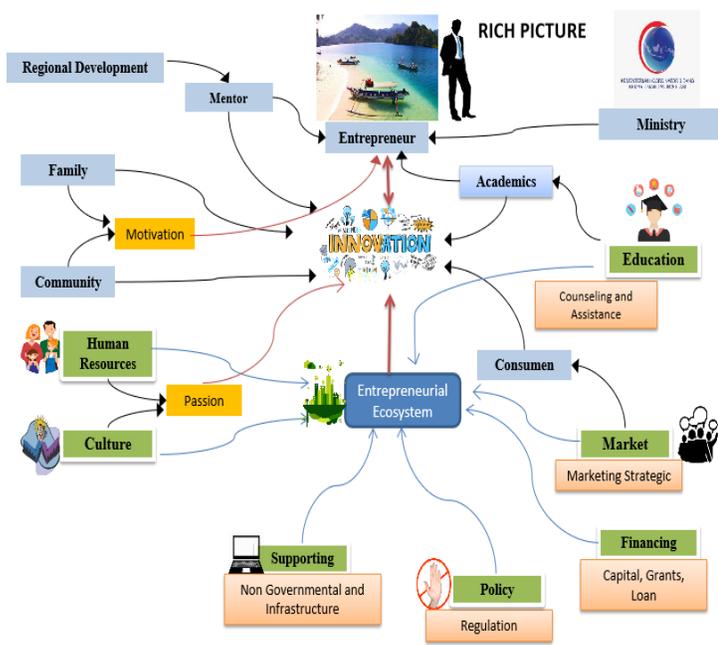


Figure 3. Rich Picture

Rich Picture provides an overview of the model for strengthening entrepreneurial innovation in coastal areas. Business actors in coastal areas are the main actors who play an important role in the internal transformation of business development. The transformation is carried out by changing the characteristics of the coastal areas and culture inherent in business actors by increasing entrepreneurial knowledge and skills, changing thinking patterns by generating entrepreneurial passion and increasing self-confidence. Municipal or regional governments have the authority to strengthen regulations by facilitating licensing and providing marketing channels, providing facilities and infrastructure, and monitoring business developments. To increase the innovation capabilities of business actors, the local government together with the central government, in this case the Coordinating Ministry for Economic Affairs, prepares programs according to the needs of business actors to increase innovation capabilities. Mentors are prepared to provide assistance and guidance for startup business actors and unsustainable business actors. Transformation on the external side is influenced by actors who play a role in increasing the ability of entrepreneurial innovation. Family support and the community environment can affect the psychological side of business actors. Motivation that is formed from the support of the closest people has its own value for business actors. It has a different meaning for each individual. Including loyal consumers can affect the ability of entrepreneurial innovation. Criticism and suggestions are very helpful for business actors to improve their business. Apart from the actors who play an important role in strengthening entrepreneurial innovation, there are factors and processes that influence it. These actors, factors, processes and enthusiasm are interconnected and form a dynamic entrepreneurial ecosystem. Pillars to consider in the entrepreneurial ecosystem include culture, human resources, education, financing, markets, policies and support. So that the entrepreneurial ecosystem is expected to be an alternative to strengthening entrepreneurial innovation.

In this context, the real world is formed into a system involving three subsystems or three root definition (RD) as shown in Table 2. The conceptual model of root definition one is a system owned and managed by local governments and business actors in coastal areas in the context of business development through identification of factors that affect the ability of entrepreneurial innovation for business sustainability. There are six activities in this system including; (1) identify the obstacles to innovation; (2) collecting information in the form of interviews, literature studies and previous research; (3) conducting field reviews; (4) studying the culture and characteristics of certain areas; (5) evaluating the identification of the determinants of entrepreneurial innovation ability; (6) determine the factors that influence innovation ability.

Table 2. Root Definition Study

Name of RD	Explanation	Description
The identification of strengthening entrepreneurial innovation factors	A system that is owned and managed by local government and business actors in identifying the factors of entrepreneurial innovation ability in coastal areas (P) through situation analysis (Q) for business sustainability (R).	RD 1
The development of entrepreneurial innovation ability	A system that is owned and managed by local government and business actors to increase the ability of innovating (P) through internal transformation (Q) in achieving business progress (R).	RD 2
The strategy of entrepreneurial innovation strengthening	A system that is owned and managed by local government and business actors to determine the strategy of entrepreneurial innovation strengthening (P) based on the pillars of entrepreneurial ecosystem (Q) in developing business (R).	RD 3

The conceptual model activity from root definition two, namely the development of entrepreneurial innovation capabilities, begins with (1) an inventory of the needs for innovation development, this step is intended to identify what entrepreneurial needs are in an effort to improve their innovative abilities. Inventory is in the form of a list of materials and conceptals that can be done for entrepreneurial development designs. Furthermore, activity (2) compiles the design of entrepreneurial innovation development. In this activity, an innovation development design was chosen for business actors, it could be done by participating in various innovation development programs as well as increasing knowledge and skills and (3) collaborating with related parties and stakeholders. The next activity is (4) implementing entrepreneurial innovation development, which can be done both in terms of product innovation, process, concept and marketing. After the implementation is carried out, it is necessary to (5) evaluate the implementation of innovation development. From the results of the evaluation, (6) revisions or improvements can be made and then (7) transformed so that the design of entrepreneurial innovation development can be carried out appropriately. The conceptual model of root definition three, namely the system owned and operated by local

governments in determining strategies for strengthening entrepreneurial innovation consists of six activities including; (1) compile criteria for strengthening entrepreneurial innovation, criteria based on the pillars in the entrepreneurial ecosystem; (2) transforming through the pillars of the entrepreneurial ecosystem; (3) determining priority strategies for strengthening entrepreneurial innovation; (4) implementing strategies for strengthening entrepreneurial innovation; (5) establish strategies for strengthening entrepreneurial innovation; (6) evaluating the selected alternatives. Those three root definitions in Table 2 are the most relevant figure in an endeavor of reinforcing entrepreneurial innovation in coastal areas. Therefore, the conceptual model of entrepreneurial innovation strengthening based on the decomposition model can be seen in Figure 4.

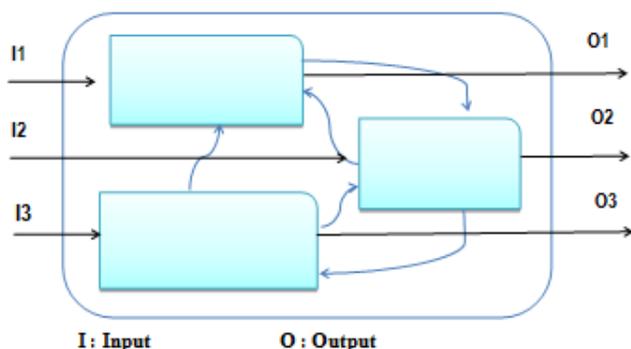


Figure 4. Decomposition of entrepreneurial innovation strengthening models

From the decomposition of the conceptual model, the fifth and sixth stages are the act of comparing real-world activities and the proposed corrective actions to the system. Determining a strategy to strengthen entrepreneurial innovation begins with developing criteria for strengthening innovation, carrying out transformation, and building communication with the government (KPKP Office, PPKUKM Sub-department, and Ministry of Communication and Information) and other relevant stakeholders to clarify and solidify priority strategies. The transformation on the activities of the model was carried out utilizing entrepreneurial ecosystem approach. On the other hand, the transformation of activities in the real world was carried out based on the needs of business development. In this case, the entrepreneurial ecosystem approach was seen as the mechanism to solve the problems of strengthening entrepreneurial innovation in an area

Table 3. Corrective Action and Comparison Model

No	Model Activity	Real word	The gap that occurs	The proposed remedial action
1	Identification of factors strengthening entrepreneurial innovation	The process of identifying the causes of innovation constraints has not been carried out	Business actors and stakeholders only focus on the innovation constraints not on the process	It is necessary to arrange the stages of identification and tracing the most basic causes of innovation constraints
2	Development of Entrepreneurial Innovation capabilities	Transforming products, processes, concepts, marketing	The transformation that is carried out only on the external side, does not include the internal side of entrepreneurship	Internal transformation needs to be done by increasing competence, motivation and self-confidence, including passion
3	Strategies for strengthening entrepreneurial innovation	The strategy is determined without considering the influencing factors	The goal of choosing the most appropriate strategy is not optimal	Prioritizing is not easy, it requires experts and the right parameters to get the desired results

According to the more inclusive approach, the existing and new business actors played different roles, yet completing each other in the business ecosystem and were able to exploit some opportunities appearing within the system. As a result, increasing diversity of business activities in the ecosystem occurred, which can increase the dynamism and enthusiasm and put it on the evolutionary path having richer opportunities. The intended results could occur only if all people were involved in the business ecosystem in thinking about strategies and developing relationship each other purposely in the process of balancing the opportunities of individual company and the development of the entire ecosystem. As revealed by Andonova [39], the balance appeared as a result of strategic thought, a capability which was ideally owned by the actors of business ecosystem.

CONCLUSIONS

The dynamics of entrepreneurial innovation in the coastal areas are quite rapid. As it is found in 2019, the entrepreneurial growth rate of districts Tanjung Priok, and Cilincing was 28.96%, showing that it could stimulate the lags in those three districts; thus, they could compete with other districts through the innovation of products from the trade of marine products, home-made stalls, processed seafood, culinary, and accessories. In this study, found external and internal factors of strengthening entrepreneurial innovation. For the external factors, the pillars within the entrepreneurial ecosystem are technical and vocational education, the innovation of the culture, networking, and infrastructure. Then, the internal factors are human resources who are skillful and have motivation through the dimension of passion. Based on the fourth and fifth phase of SSM studies, conceptual models that can be applied to

strengthen entrepreneurial innovation are classified into three root definitions, namely identification of factors for strengthening entrepreneurial innovation, developing entrepreneurial innovation capabilities, and strategies for strengthening entrepreneurial innovation. The three root definitions are alternative strategies that local governments can implement to develop entrepreneurship and overcome entrepreneurial problems in the coastal areas of Jakarta.

## IMPLICATIONS

From the SSM study, strengthening entrepreneurial innovation in coastal areas can be done through several alternative strategies: The short term is carried out by broadening the horizons and increasing the competence of business actors through digital-based technical and vocational training so that they are able to answer the problem of the quality of human resources in coastal communities. Long term, by fostering a culture of innovation in the business environment and maximizing the role of business mentors. So the selection of a mentor (mentor) is important. Mentors are people who are masters of entrepreneurship and have good communication skills and are able to provide direction regarding the obstacles faced by the business actors under their guidance.

## REFERENCES

- [1] Singer, S., Amorós, J.E., Arreola, D.,M. (2015). Global Entrepreneurship Monitor 2014 Global Report: Global Entrepreneurship Monitor Association.
- [2] Hutahean, E.,S. (2005). Contribution of Creative Personality and Organizational Climate to Innovate Behavior. Proceeding, National Seminar. ISSN: 18582559.
- [3] Malecki, E.,J. (1997). Entrepreneurs, Networks, and Economic Development. *Advances in Entrepreneurship, Firm Emerge and Growth* 3(1): 57–118.
- [4] Drucker, P.,F. (1996). *Entrepreneurial Innovation: Practice and Basics*. Erlangga. Jakarta.
- [5] Mauleny, A.,T. (2015). Agglomeration, Socio-Economic Change and Jakarta Development Policy. *Journal of Economics and Public Policy*. 6(2):146-162.
- [6] Siswanto, A.,D, Nugraha, W.,A. (2016). Problems and Coastal Potentials in Sampang Regency. *Marine Journal*. 9 (1): 12-16.
- [7] Menggala, S.,R. 2016. Poverty in the Fishing Community in Cilincing. *IJPA-The Indonesian Journal of Public Administration*. 2 (1):59-68.
- [8] Suharto E. 2005. *Membangun Masyarakat Memberdayakan Rakyat*. Bandung : Refika Aditama.
- [9] Hsu, C.,I., Carol, M.,N., Lawler, J.,J. (2007). Toward a Model of Organizational Human Capital Development: Preliminary Evidence from Taiwan. *Asia Pacific Business Review*. 13(2):251–275.
- [10] Evangelista, R., Lucchese, M., Meliciani, V. (2013). Business Services, Innovation and Sectoral Growth. *Structural Change and Economic Dynamics*, Elsevier. 25(c):119-132.
- [11] Ettlíe, J.,E, Rosenthal, S.,R. (2011). Service Versus Manufacturing Innovation. *Journal of Product Innovation Management*. 28(2):285-299.
- [12] Ranto, D.,W.,P. (2015). The Influence of Knowledge Sharing on the Innovation Ability of Small and Medium Enterprises in Yogyakarta with Absorptive Capacity as an Intervening Variable. *Journal of Business Strategy*. Yogyakarta, 19(2):132-145.
- [13] Amo BW, Kolvereid L. 2005. Organizational strategy, individual personality and innovation behavior. *Journal of Entreprising Culture*.13(1):7-20.
- [14] Aromaa E., Eriksson, P. 2014. Management of innovation in small service companies. *South Asian Journal of Business and Management Cases*. 3(1):31-40.
- [15] Saragih, R. (2017). Building Creative, Innovative and Beneficial Enterprises through the Application of Social Entrepreneurship. *Journal of Entrepreneurship*. 3(2): 26-34.
- [16] Zimmerer, T.,W, Scarborough, N.M. (1996). *Entrepreneurship the New Venture Forination*. Prentice Hall International Inc.
- [17] Tunggal, A.,W. (2008). *Entrepreneurship Management Basic (Entrepreneurial Management)*. Revision Edition, Harvarindo: Jakarta.
- [18] Schumpeter, J.,A. (1934). *The Theory of Economic Development. An Inquiry into Profits, Capital, Credit, Interest and the Business Cycle*. Harvard University.
- [19] Hisrich, R.,D, Peters, M.,P. (1995). *Entrepreneurship: Starting, Developing and Managing a New Enterprises*. Third Edition. New York: McGraw-Hill.
- [20] Freeman, J., H., Audia, P.,G. (2006). Community Ecology and the Sociology of Organizations. *Annual Review of Sociology*: 145-169.
- [21] Isenberg, D. (2011). *The Entrepreneurship Ecosystem Strategy as a New Paradigm for Economic Policy: Principles for Cultivating Entrepreneurship*. Dublin, Ireland: Institute of International European Affairs.
- [22] Edquist, C. 2001. Innovation Policy in the Systems of Innovation Approach: Some Basic Principles. In Fischer MM and J. Fröhlich (eds.) *Knowledge, Complexity and Innovation Systems*, Berlin: Springer Verlag.
- [23] De Jong, J. (2007). *Individual Innovation: The Connection between Leadership and Employee's Innovative Work Behavior*. Dissertation Faculty of Economics and Business University of Amsterdam.
- [24] McClelland, D.,C. (1987). *Human Motivation*. New York: Cambridge University Pr.
- [25] Patton, M.,Q. (2002). *Qualitative Research and Evaluation Mehods (3ed)*. California: Sage Publishing.
- [26] Faisal, S. (1990). *Qualitative Research (Basic and Applications)*. Malang: Ya3.
- [27] Moleong, L.,J. 1995. *Qualitative Research Methods*. Bandung: PT. Remaja Rosdakarya.
- [28] Sumadyo, M. (2016). The Use of Analytical Techniques in Information Systems Development Using Soft System Methodology (SSM). *Journal of Computer Science Research, Embedded Systems and Logic*. 4 (1): 36-48.
- [29] Hardjosoekarto, S. (2012). *Soft Systems Methodology*. Jakarta: Universitas Indonesia Pr.
- [30] Checkland, P., Scholes, J. (1990). *Soft Systems Methodology in Action, Include a 30 Year Retrospective*. Chichester (UK): J Wiley.
- [31] Baron, R.A., Shane, S.A. (2007). *Entrepreneurship: A Process Perspective*. 2nd edition. London: Cengage Learning.

- [32] Riana, M. (2011). *A Gift from a Friend*. Jakarta: PT Gramedia Pustaka Utama.
- [33] Robbins, S.,P., Judg, T.,A. (2008). *Organizational Behavior*. Jakarta: Penerbit Salemba Empat.
- [34] Harper, S.,C. (2005). *Extraordinary Entrepreneurship: The Professional's Guide to Starting an Exceptional Enterprise*. New Jersey: John Wiley and Sons.
- [35] Stam, E., Spigel, B. (2016). *Entrepreneurial Ecosystems*. Utrecht School of Economics. Tjalling C. Koopmans Research Institute. Discussion Paper Series 16-13.
- [36] Neumeyer, X., Santos, S.,C. (2017). *Sustainable Business Models, Venture Typologies and Entrepreneurial Ecosystems; a Social Network Perspective*. *Journal of Cleaner Production*, 172(1):4565-4579.
- [37] Purbasari, R., Wijaya, C., Rahayu, N. (2019). *The Entrepreneurial Ecosystems as a Network-rich Systems: a Systematic Mapping Study*. *Academy of Entrepreneurship Journal*. 25(2): 1-17.
- [38] Horan, P. (2000). *Using Rich Pictures in Informastion Systems Teaching*. *International Conference on Systems Thinking in Management*.
- [39] Andonova, V., Nikolova M.S., Dimitrov, D. (2019). *Entrepreneurial Ecosystems in Unexpected Places; Examining The Success Factors of Regional Entrepreneurship*. Switzerland: Palgrave Macmillan.