



Original Article

Strategy for Improving the Performance of Culinary SME Actors in Langsa City, Indonesia

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Abstract: Small and Medium Enterprises (SMEs) are pivotal in propelling the Indonesian economy. The stability and sustainability of economies in different regions have been greatly affected by the worldwide economic issues that have emerged due to the COVID-19 pandemic. One of the identified repercussions can be witnessed in the culinary sector of small and medium-sized enterprises (SMEs) in Langsa City. Thus, this study examines the effect of internal and external factors on the performance of Small and Medium Enterprises (SMEs) operating in the culinary sector within Langsa City. Additionally, this research aims to evaluate and propose strategies for enhancing the performance of SMEs in the culinary industry by employing a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis framework specifically tailored to the context of Langsa City. The present study uses a qualitative research design utilizing a case research approach. Data is gathered by distributing questionnaires, conducting in-depth interviews, and assessing validity through source triangulation. Based on the findings of the study, it was determined that the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS) about the performance evaluation of Small and Medium Enterprises (SMEs) operating in the culinary sector in Langsa City have not yet reached their maximum potential. This conclusion was drawn through the application of SWOT analysis. This observation may be due to the outcomes of the Cartesian diagram utilized in the SWOT analysis. The chart reveals that quadrant II exhibits the highest cumulative score, suggesting several risks encountered by the business stakeholders. However, the culinary small and medium-sized enterprise (SME) actors have internal strengths. To boost the performance of Small and Medium Enterprises (SMEs) in the culinary sector, it is imperative to employ a Strengths-Threats (S-T) approach that focuses on implementing product diversification techniques.

Keywords: Small-Medium Enterprises; Strategy; Performance; SWOT Analysis



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1. Introduction

During the period spanning from mid-1997 to 1998, a worldwide economic disturbance occurred, characterized by a monetary crisis that caused significant disruptions in national economies. These disruptions had far-reaching consequences, impacting many sectors, such as national development and employment (Arifqi, 2021; Suci et al., 2019).

The global economic crisis has significantly impacted various federal economic sectors. However, an essential industry that has played a vital role in contributing to national economic development is the implementation of Micro, Small, and Medium Enterprises (MSMEs) (Rahmah et al., 2021). These enterprises are built on the principles of fair economic democracy. According to Muchsin et al. (2022), empirical evidence demonstrates that Micro, Small, and Medium Enterprises (MSMEs) have exhibited resilience and stability within the domestic economic landscape, even in the face of the global financial crisis that has impacted Indonesia. This assertion is supported by Badan Pusat Statistik (2020) study, which indicates a rise in the quantity of micro, small, and medium enterprises (MSMEs) after the monetary crisis between 1997 and 1998. In addition, the growth of Micro, Small, and Medium Enterprises (MSMEs) has shown a consistent upward trend, resulting in more than 107 million individuals being absorbed into the national labor force. Micro, Small, and Medium Enterprises (MSMEs) have played a noteworthy role in the economic landscape, contributing to 60.5% of the overall Gross Domestic Product (GDP) growth. Moreover, these enterprises have emerged as crucial employment generators, accounting for a remarkable 96.9% of the entire workforce at the national level. The data mentioned above was published by the Ministry of Economic Affairs of the Republic of Indonesia in 2022.

Nevertheless, it is evident from the research conducted by Ma'arif et al. (2023) that local micro, small, and medium enterprises (MSMEs) have encountered numerous challenges during the initial two years of the COVID-19 pandemic, spanning from 2020 to 2021. The assertion mentioned above is supported by a survey conducted by the United Nations Development Program (UNDP) and the Institute for Economic and Social Research (LPEM UI). The survey encompassed a sample size of 1,180 participants, consisting of micro, small, and medium-sized enterprise operators, and was carried out during the years 2020 and 2021. According to the survey findings, a significant proportion of micro, small, and medium enterprises (MSMEs) encountered difficulties in procuring raw materials, with a notable percentage exceeding 48%. Simultaneously, micro, small, and medium firms experienced a substantial reduction of 88% in product demand, a loss of 77% in income, and a noteworthy 97% of such enterprises witnessed a decrease in asset value (Sarker et al., 2022). In addition, Angki (2021) asserted that the consequences of the COVID-19 pandemic significantly influenced operators of micro, small, and medium-sized enterprises. This encompasses Small and Medium Enterprises (SMEs) that have experienced a growing trend of business closures and the termination of employee employment contracts. This can be attributed to a notable decline in consumer purchases, leading to incapacity to meet sales objectives intended to cover utility expenses, employee wages, and other financial obligations.

According to the poll findings, a significant proportion of Micro, Small, and Medium Enterprises (MSMEs) encountered a decline in sales, with up to 94.69% reporting such an impact amidst the ongoing pandemic. A significant decrease in sales, surpassing 75%, was observed among 49.01% of ultra-micro firms, 40% of micro-businesses, 43.3% of tiny businesses, and 45.83% of medium-sized companies, as determined by their respective scales of business size. This analysis comprehensively examines the three distinct categories of companies within the Micro, Small, and Medium Enterprises (MSMEs) sector. It reveals that Small and Medium Enterprises (SMEs) saw the most significant percentage reduction in average sales, showing a notable deterioration in the overall operational efficacy of local SME management. According to Soetjipto (2020), it is essential to note that COVID-19 has not only impacted Micro, Small, and Medium Enterprises (MSMEs) but also Small and Medium Enterprises (SMEs), resulting in a significant downturn in their commercial operations. Nevertheless, despite these factors, they continue to contribute substantially to national employment, play a crucial role in the distribution of Gross Domestic Product (GDP), stimulate industrial development, and sustain economic growth and development following monetary crises. This phenomenon arises when prominent corporations seek assistance extending their operations (Kristiyanti, 2012).

Micro, Small, and Medium Enterprises (MSMEs) encompass various business sectors during their developmental stages. Nevertheless, there has been a growing interest from the public in the culinary or food and beverage sectors within the MSME industry in recent years (Aryansah et al., 2020). The food industry is a commercial sector that consistently serves as an essential community component, maintaining a perpetual need without any signs of decline. Nevertheless, within the COVID-19 epidemic, this industry encountered the most substantial decrease in revenue compared to other sectors, plummeting to a staggering 92.47% (Badan Pusat Statistik Republik Indonesia, 2020). The COVID-19 pandemic has led to a decline in revenue for Micro, Small, and Medium Enterprises (MSMEs), which has raised concerns regarding the performance of MSME operators (Islami et al., 2021). The performance of micro, small, and medium enterprises (MSMEs) can be characterized by their capacity to undertake actions grounded in logical reasoning and deemed acceptable (Pfeffer & Salancik, 2015). Hence, developing a conceptual framework and establishing operational definitions for evaluating and quantifying the performance of Micro, Small, and Medium Enterprises (MSMEs) through diverse approaches and methodologies is imperative. According to Cahyoadi (2016) and Arifqi (2021), a method for assessing performance in Micro, Small, and Medium Enterprises (MSMEs) involves evaluating the satisfaction of owners concerning the profit and income generated. This observation suggests that the decrease in profit and revenue experienced by Micro, Small, and Medium Enterprises (MSMEs) during the COVID-19 epidemic can be attributed to the subpar performance of MSME operators. The protracted COVID-19 pandemic has presented challenges for operators of micro, small, and medium-sized enterprises (MSMEs) to advance their business sectors (Hamdun et al., 2022).

The survey conducted by [Widiastuti et al. \(2021\)](#) on the impact of the COVID-19 pandemic on the performance of Micro, Small, and Medium Enterprises (MSMEs) provides evidence of the government's ineffective policies and strategies in promoting their development. The study encompassed a total of 679 participants whose primary vocation was identified as company operators. According to the poll findings, a significant proportion of Micro, Small, and Medium Enterprises (MSMEs) saw a notable decrease in sales, with as high as 94.69% reporting such loss amidst the ongoing pandemic. A significant reduction in sales by over 75% was observed among different categories of organizations, namely 49.01% of ultra-micro businesses, 40% of micro-businesses, 43.3% of tiny companies, and 45.83% of medium-sized firms, as determined by their respective scales of operation. The diminishment of managerial efficacy in Small and Medium Enterprises (SMEs) within the culinary industry in the province of Aceh indicates the overall caliber of SMEs across different administrative areas within Aceh Province, including the capital city of Langsa. Langsa, the province's capital, exhibits a high population density and is home to many small and medium-sized enterprise (SME) operators, particularly within the culinary industry. According to [Junaida & Hanum \(2022\)](#), it holds a prominent position as one of the primary contributors to the Gross Regional Domestic Product (GRDP) in Aceh Province and other cities.

In light of the matter mentioned above, it is imperative to develop a comprehensive plan to enhance the operational efficiency and overall performance of Micro, Small, and Medium Enterprises (MSMEs), focusing on the region of Kota Langsa. The fall in MSME performance during the pandemic and its subsequent continuation can be addressed by examining the many internal and external causes contributing to this phenomenon. The approach aimed at enhancing the performance of Micro, Small, and Medium Enterprises (MSMEs) can be characterized as a systematic endeavor to improve their performance by employing diverse methodologies. This undertaking is typically preceded by a comprehensive investigation of internal and external elements that influence MSMEs. According to [Rindho & Giovanni \(2022\)](#), the accurate execution of the decision-making process follows subsequently. SWOT analysis is a frequently employed approach in identifying internal and external elements that contribute to developing a performance improvement strategy for organizations ([Filbert et al., 2018](#); [Narto & HM, 2020](#)). The SWOT analysis is a structured process designed to systematically identify and evaluate internal and external elements that impact the performance and effectiveness of a firm. The present study examines the company's internal and external environment, focusing on identifying strengths and possibilities while mitigating weaknesses and dangers ([Kotler & Keller, 2016](#); [Rangkuti, 2016](#); [Rizki et al., 2021](#)). In the context of SWOT analysis, two distinct approaches are employed to ascertain the appropriate strategy for enhancing performance: Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS). The IFAS matrix is utilized to assess the quantitative impact of internal factors on the achievement and resilience of the Micro, Small, and Medium Enterprises (MSMEs) under development. Internal aspects comprise both strengths and limitations.

2. Literature Review

Micro, Small, and Medium Enterprises (MSMEs) have various meanings in the literature according to institutions and laws. According to [Karyadi & Rizki \(2018\)](#) are defined as:

1. A Micro-business is a productive business owned by an individual or a sole proprietorship that meets the Micro-business requirements as regulated by the Law, including but not limited to:
 - a. A net worth with a maximum limit of Fifty Million Rupiahs, excluding land and buildings used for business premises.
 - b. Having annual sales with a maximum limit of Three Hundred Million Rupiahs.
2. Small Enterprises are productive economic endeavors that operate independently, whether by individuals or business entities. These enterprises are not part of subsidiaries or branches owned, controlled, or affiliated with Large and Medium Enterprises, either directly or indirectly. Small Enterprises meet the criteria of being small enterprises as regulated by the Law, which include the following aspects.
 - a. Having a net worth with a minimum value of Fifty Million Rupiah up to a maximum of Five Hundred Million Rupiah, excluding land and buildings used as business premises.
 - b. Annual sales with a minimum value of Three Hundred Million Rupiah up to a maximum of Two Billion Five Hundred Million Rupiah.
3. Medium Enterprises are productive economic activities that are operated by individuals or business entities. These businesses are not part of a subsidiary or branch of a company that is owned, controlled, or directly or indirectly affiliated with Small Enterprises or Large Enterprises that meet the criteria described in the Law, which is elaborated as follows;
 - a. Having a net worth with a minimum value of Five Hundred Million Rupiah up to a maximum of One Hundred Billion Rupiah, except for land and buildings used as business premises or
 - b. Annual sales revenue with a minimum value of Two Billion Five Hundred Million Rupiah, up to a maximum of Fifty Billion Rupiah.

SME factors can be divided into two categories, internal and external factors, as explained by Fibriyani & Mufidah, (2018) in Table 1 below.

Table 1. Internal and External Factors Influencing SMEs

Internal Factors	External Factors
a. Human Resources	a. Social, Economic, Political Conditions
b. Business Capital	b. Technological Advancements
c. Business Management	c. Surrounding Environmental Situation
d. Production Activities	d. Supplier Power
e. Company Operations	e. Customers
f. Product Marketing	f. Purchasing Power
g. Technology Mastery	g. Market Competition
h. Company Finance	h. Business Credit
i. Business Strategy	i. Product Inventory

Previous research has been conducted to investigate the efficacy of Performance Enhancement Strategies for Small and Medium Enterprises (SMEs). An illustrative instance may be found in the study conducted by [Md Husin & Haron \(2020\)](#) focused on micro, small and medium enterprises' competitiveness and micro - Takaful Adoption. They researchers applied interview-based research methodologies and conducted a SWOT analysis. The study's findings demonstrate that the SWOT analysis successfully identified various characteristics, encompassing strengths such as well-developed infrastructure, a growing influx of new residents, and positive impacts on the local economy. Furthermore, certain areas may be enhanced, like a deficiency in digital culture, insufficient training, and a shortage of experience. Moreover, other options exist, including government programmers that facilitate the expansion of mobile internet. Conversely, potential challenges exist, like evolving customer demands and constraints in financial resources. This study examines the perceptions of small and medium-sized enterprises (SMEs) about micro - takaful and the problems they face in adopting takaful. Additionally, [Hadiyati & Hendrasto \(2021\)](#) studied entrepreneurial marketing strategy of micro, small, and medium enterprises in the era of the COVID-19 pandemic. Their study reveals that the devised entrepreneurial marketing strategy plan, utilizing the SWOT matrix, falls under Quadrant One according to the research findings. This quadrant's recommended entrepreneurial marketing strategy entails implementing a proactive growth-oriented approach. Sustainable tourism initiatives were identified in the cities of Pasuruan and Blitar.

In their recent study about opportunities and challenges of digital economy for micro, small, and medium enterprises facing the covid-19 pandemic in indonesia: a case research by [Fridayani et al. \(2022\)](#). They explore the potential advantages and obstacles that the digital economy has for micro, small, and medium enterprises (MSMEs) in Indonesia during the Covid-19 pandemic. The study's findings suggest that the progress of small and medium enterprises (SMEs) in Kulon Progo Regency aligns with the regional government's strategic plan. This alignment is achieved through implementing various programmers based on the SWOT analysis of SMEs. These programmers include training sessions aimed at enhancing the production skills of SMEs, fostering innovation in their products, providing support for SME certification, offering packaging training to improve product attractiveness, delivering training on export and import processes, establishing collaborations with banking institutions, promoting cooperative membership among residents, partnering with universities to provide digitalization training, facilitating access to capital through credit opportunities from market banks, and providing assistance through social welfare programmers. The establishment of a digital marketplace is also part of the initiatives undertaken to support SME development.

[Bian \(2019\)](#) studied SWOT analysis of the choice of entrepreneurship goals of small and medium-sized private enterprises in China. He found that the average duration of existence for private enterprises in China is merely 3.7 years, as determined through random sampling surveys. Moreover, it has been observed that the typical period of existence for small and micro businesses operating within the private sector is approximately 2.5 years. Nevertheless, it is noteworthy that tiny private enterprises in affluent nations such as the United States and Japan exhibit an average longevity of 8.2 and 12.5 years, respectively. When the focus of analysis is shifted from small and medium-sized organizations to large companies, it is observed that the average duration of existence for major corporations in China falls within the range of 7 to 9 years. In contrast, the typical longevity of significant corporations in Europe and America, as exemplified by the United Kingdom and the United States, can extend up to 40 years. Furthermore, it is noteworthy that the average longevity of significant corporations in Japan is approximately 58 years, with many entities surpassing the century mark in terms of existence. China's long-standing corporate sector needs to catch up to that of advanced European and American nations, necessitating catch-up measures.

The research conducted by [Mustika et al. \(2018\)](#) examines the influence of small business management on optimizing business performance. Specifically, the study focuses on small-scale cake businesses in the Sarolangun District. The study's findings suggest that the SWOT analysis reveals the existing managerial position of small-scale

cake producers in Sarolangun Regency to be situated in quadrant I. This implies favorable factors and potential areas for enhancement in the business performance of small-scale cake-making enterprises in Sarolangun Regency. Hence, adopting an assertive, strategic approach is suitable for augmenting the present business performance.

The present study utilizes a qualitative research design, employing a case research approach. In qualitative research, the concept of "population" is not engaged in the same manner as in quantitative research methodologies. Qualitative research is grounded in specific social situations; its findings are not intended to be generalized to the broader community. Nevertheless, it is possible to transmit the information to other regions that exhibit similar social conditions about the issue being studied (Sugiyono, 2020). The researcher employs purposive sampling in this study. The process of selecting study informants is conducted using the snowball sampling approach. The snowball sampling methodology is executed consecutively, following distinct steps. The initial step involves identifying individuals deemed capable of offering pertinent information to conduct interviews. As a result, these individuals assume the role of crucial informants who subsequently suggest other individuals as supplementary sources of information. The data-gathering process involves administering surveys, conducting in-depth interviews, reviewing relevant paperwork, and ensuring the authenticity of the data through source triangulation.

3. Result and Discussion

Based on the analysis of questionnaire responses collected from participants from various regions, several internal and external strategic determinants that influence the performance of culinary small and medium-sized enterprise (SME) actors in Langsa City have been discovered. These factors encompass both internal elements inside the enterprises themselves and external ones that originate from the broader business environment:

3.1. Internal and External Factors Influencing the Performance of Culinary SME Actors in Langsa City

Table 2. Internal Factors Affecting the Performance of Culinary SME Actors in Langsa City

Internal Factors	Respondents/Culinary SME Actors										Total	Conclusion
	1	2	3	4	5	6	7	8	9	10		
Financial Literacy	S	W	W	S	W	W	W	W	W	W	W=8; S=2	Weak
Business Network	S	S	S	S	S	W	S	W	S	S	W=2; S=8	Strong
Financial Capital	S	S	S	S	S	S	W	S	S	W	W=2; S=8	Strong
Product Innovation	S	W	S	S	S	W	S	S	S	S	W=2; S=8	Strong
Product Quality	S	S	S	S	S	S	S	S	S	S	W=1; S=9	Strong
Entrepreneurial Orientation	S	S	S	S	S	S	S	S	S	S	W=0; S=10	Strong
Marketing Strategy	S	W	S	S	W	W	W	W	W	W	W=7; S=3	Weak
The Average Total												Strong

Table 2 illustrates seven internal elements that impact the performance of culinary small and medium-sized enterprise (SME) players in Langsa City. These factors include financial literacy, business networks, financial capital, product innovation, product quality, entrepreneurial orientation, and marketing strategy. The findings suggest that internal variables contribute to the strengths observed among culinary small and medium-sized enterprise (SME) operators in Langsa City. Within the realm of inner causes, it is worth noting that small and medium-sized enterprise (SME) players are confronted with two distinct deficiencies: financial literacy and marketing strategy. Financial literacy is considered the most prominent internal strength for small and medium-sized enterprise (SME) players, with a weight of 0 and a score of 10. In the context of small and medium-sized enterprise (SME) actors, it is evident that financial literacy emerges as a prominent area of weakness, with a (W=8; S=2).

3.2. Internal Factors that Constitute Strengths

3.2.1. Business Network

The analysis of the questionnaire suggests that business networks play a significant role in enhancing the performance of culinary small and medium-sized enterprise (SME) actors in Langsa City. Of the respondents, 2 identified business networks as a weakness, while 8 regarded it as strength. These findings are consistent with previous studies conducted by Yoon et al. (2018), Herman & Nohong (2022) and Abbas et al. (2019), which have demonstrated a positive and substantial influence of business networks on the performance of Micro, Small, and Medium-sized Enterprises (MSMEs). This finding suggests a positive relationship between the establishment of influential business networks by culinary small and medium-sized enterprise (SME) actors in Langsa City and the subsequent improvement in the performance of these SMEs. The findings from the interview suggest that establishing business networks among

culinary small and medium-sized enterprise (SME) actors in Langsa City has been executed with a high level of effectiveness. The intimate interrelationships among the many components within the culinary small and medium enterprise (SME) organization in Langsa City account for this phenomenon. This circumstance facilitates the establishment of enduring partnerships between suppliers and culinary small and medium-sized enterprise (SME) players in Langsa City about procuring raw materials and other relevant aspects. Moreover, the situation mentioned above is additionally impacted by the prevailing familial dynamics within the surrounding milieu. [Hamel & Wijaya \(2020\)](#) propose that establishing tighter relationships and fostering cooperation with suppliers substantially influence firm performance. This impact is observed through enhanced cost efficiency, improved quality and the consistent availability of accessible inputs.

3.2.2. Financial Capital

The analysis of the questionnaire findings reveals that financial capital is a notable advantage in the performance of small and medium-sized enterprises (SMEs) operating in the culinary sector in Langsa City. Of the respondents, 2 indicated "weakness" as their choice, while 8 indicated "strength". These findings are consistent with [Sánchez-Infante Hernández et al. \(2020\)](#), whose research demonstrates a positive and substantial relationship between financial capital and Micro, Small, and Medium-sized Enterprises (MSMEs) performance. Hence, there is a positive correlation between the economic wealth generated by culinary small and medium-sized enterprise (SME) actors in Langsa City and the subsequent performance of these SMEs. The robustness of the financial capital generated by culinary small and medium-sized enterprise (SME) participants in Langsa City can be attributed to the fact that business capital predominantly originates from their personal or familial resources rather than relying on microcredit (KUR) loans for business operations. The abovementioned interview demonstrates the successful capitalization efforts of culinary small and medium-sized enterprise (SME) operators in Langsa City. The observed smoothness can be attributed to the successful implementation of capital management strategies, further reinforced by the efficient use of accounting information. Effective management can be achieved through proficient handling of financial reports. Furthermore, the culinary industry's small and medium-sized enterprises (SMEs) also easily access loans from financial institutions under the People's Business Credit (KUR) program. [Mustofa & Trisnaningsih, 2021](#) assert that small and medium-sized enterprises (SMEs) encounter common challenges related to capitalization, which can be effectively addressed through the utilization of accounting information. The provided information might serve as an initial investment in the decision-making process about business development.

3.2.3. Product Innovation

The study of the questionnaire findings suggests that culinary small and medium-sized enterprise (SME) players in Langsa City exhibit a notable proficiency in product creation. Of the respondents, 2 indicated 'weakness' as their choice, while 8 indicated 'strength.' These findings are consistent with the results of previous studies conducted by [Kalil & Aenurohman \(2020\)](#), [Harini et al. \(2022\)](#), and [Lorensa & Hidayah \(2022\)](#). These studies have demonstrated a notable and positive relationship between product innovation and Micro, Small, and Medium-sized Enterprises (MSMEs) performance. Therefore, there is a positive correlation between the level of product innovation generated by culinary small and medium-sized enterprise (SME) actors in Langsa City and the performance of these SMEs. The interview findings demonstrate that culinary small and medium-sized enterprise (SME) participants in Langsa City have acknowledged the significance of fostering a creative culture, particularly concerning culinary items, as it positively impacts the growth and progress of their enterprises. Several product advancements have been implemented, encompassing enhancements in flavor, packaging, the introduction of new menus, and the incorporation of a broader range of high-quality raw materials.

3.2.4. Product Quality

The study of the questionnaire findings reveals that the performance of culinary small and medium-sized enterprise (SME) players in Langsa City is characterized by a notable strength in terms of product quality. One participant selected 'weakness,' while nine determined 'strength.' These findings are consistent with previous studies conducted by [Ramli et al. \(2020\)](#), [Dahmiri et al. \(2021\)](#) and [Taufik & Ayuningtyas \(2020\)](#), which indicate that the quality of products has a substantial and positive influence on the performance of Micro, Small, and Medium-sized Enterprises (MSMEs). Hence, a positive correlation exists between the quality of products produced by culinary small and medium-sized enterprise (SME) players in Langsa City and the level of performance exhibited by these SMEs. The interview mentioned above suggests that culinary small and medium-sized enterprise (SME) actors in Langsa City possess a notable advantage in terms of product quality. [Wirawan et al. \(2015\)](#) argue that micro, small, and medium-sized entrepreneurs must be able to uphold both the quality and quantity of their production output per unit. The production quality of a product plays a crucial role in aiding the marketing process. To uphold manufacturing standards, micro, small, and medium-sized entrepreneurs must commence their operations by carefully selecting raw materials of

high quality. Ensuring quality maintenance from the early stages is crucial to yield semi-finished or final items of superior quality.

3.2.5. Entrepreneurial Orientation

The analysis of the questionnaire suggests that entrepreneurial orientation is the prevailing strength in the performance of culinary small and medium-sized enterprise (SME) actors in Langsa City. All respondents (n=10) indicated that entrepreneurial orientation is a strength. These results align with previous studies conducted by [Abbas \(2018\)](#), [Saptono et al. \(2021\)](#) and [Hamel & Wijaya \(2020\)](#), which have demonstrated a positive and significant relationship between entrepreneurial orientation and the performance of Micro, Small, and Medium- sized Enterprises (MSMEs). Therefore, there is a positive correlation between the level of entrepreneurial orientation embraced by culinary small and medium-sized enterprise (SME) players in Langsa City and the subsequent performance of these SMEs. The findings from the interview suggest that entrepreneurial orientation is the primary advantage possessed by small and medium-sized enterprise (SME) participants operating in the culinary industry within Langsa City. This finding is consistent with the perspectives of [Soares & Perin \(2019\)](#), assert that entrepreneurial orientation is a pivotal factor in augmenting business performance. Entrepreneurial orientation serves as a driving force for business players, compelling them to actively engage in introducing innovative products, actively seek new prospects, and assist in developing novel products.

3.3. Internal Factors

3.3.1. Financial Literacy

The questionnaire findings reveal that financial literacy emerges as the predominant area of deficiency in the operational proficiency of culinary small and medium-sized enterprise (SME) participants in Langsa City. Out of the total respondents, 8 individuals identified financial literacy as a weakness, while only 2 respondents perceived it as a strength. The findings align with the results of previous studies undertaken by [Priyantoro et al. \(2023\)](#) as well as [Septiani & Wuryani \(2020\)](#), which demonstrate a notable and favorable correlation between financial literacy and the operational effectiveness of Micro, Small, and Medium-sized Enterprises (MSMEs). This implies a positive correlation between the level of financial literacy among culinary SME actors in Langsa City and the performance of these SMEs. The findings from the interview suggest that there is room for improvement and future development in the financial literacy of actors within Small and Medium-sized Enterprises (SMEs) in Langsa City. The prevalence of financial difficulties among individuals can be attributed to inadequate financial literacy, emphasizing the essentiality of acquiring financial knowledge and skills. Economic challenges might manifest as a result of insufficient income and deficiencies in financial management practices ([Akmal & Saputra, 2016](#)).

3.3.2. Marketing Strategy

The findings derived from the analysis of the questionnaire responses suggest that there is room for improvement in the marketing approach employed by Small and Medium-sized Enterprises (SMEs) operating in Langsa City. Out of the total replies, a majority of seven individuals indicated weakness as their preferred choice, whereas a minority of three individuals selected strength. The findings presented are consistent with the study conducted by [Suindari & Juniariani \(2020\)](#) as well as [Tirtayasa et al. \(2021\)](#), indicating that the performance of Micro, Small, and Medium-sized Enterprises (MSMEs) is positively and significantly influenced by their marketing strategies. This implies a positive relationship between the level of influence of marketing strategies adopted by small and medium enterprises (SMEs) in the culinary sector in Langsa City and their performance. The interview findings suggest that there is room for growth and development in the marketing approach utilized by small and medium-sized enterprises (SMEs) operating in the culinary industry within Langsa City. To further explore the development of marketing strategies, MSME actors must exhibit originality and innovation while crafting impactful marketing strategies to attain superior performance. According to [Suindari & Juniariani \(2020\)](#), the expansion of an MSME can be hindered by various problems, including the necessity for business actors to understand efficient product marketing strategies comprehensively.

3.4. External Factors

Table 3. External Factors Affecting the Performance of Culinary SME Actors in Langsa City

External Factors	Respondents/Culinary SME Actors										Total	Conclusion
	1	2	3	4	5	6	7	8	9	10		
Technology	0	0	0	0	0	T	0	0	0	0	O=9; T=1	Opportunities
Suppliers	0	0	0	0	0	T	0	0	0	T	O=8; T=2	Opportunities

Policy Government	O	T	O	O	O	T	T	O	O	T	O=6; T=4	Opportunities
Inclusion Finance	T	O	O	O	T	O	T	O	O	O	O=8; T=2	Opportunities
Purchasing Power	T	O	T	T	O	T	O	T	O	O	O=5; T=5	Threat
Inventory Raw Materials	O	O	T	T	T	T	T	O	T	T	O=3; T=7	Threat
Competition Business	T	O	O	T	O	O	O	O	O	O	O=2; T=8	Threat
The Average Total												Opportunities

Table 3 illustrates seven external factors that influence the performance of Small and Medium-sized Enterprises (SMEs) operating in the culinary sector within the city of Langsa. These factors include technology, suppliers, government policies, financial inclusion, purchasing power, raw material inventory, and business competition. The analysis findings suggest that the identified external factors present prospective prospects for small and medium-sized culinary enterprises in Langsa. Technology is the primary external component that offers significant potential for small and medium-sized enterprises (SMEs) (O=9; T=1). In the context of small and medium-sized enterprises (SMEs), it is noteworthy to highlight that the primary external element posing a substantial risk is business competition, with an assigned weight of (O=8; T=2).

3.5. External Factors that Present Opportunities

3.5.1. Technology

The findings derived from the examination of the questionnaire responses suggest that technology Emerges as the foremost influential factor in shaping the performance of Small and Medium-sized Enterprises (SMEs) within the culinary sector in the urban locale of Langsa. Out of the total number of respondents, 9 persons opted for chances, and only 1 individual selected threat. The findings align with the results documented in the studies conducted by [Mukoffi & As'adi \(2021\)](#), [Djatikusumo \(2016\)](#) and [Ferdiansyah & Bukhari \(2021\)](#), suggesting that the utilization of technology has a favourable and statistically significant influence on the operational effectiveness of Micro, Small, and Medium-sized Enterprises (MSMEs). This implies a positive correlation between the level of impact of technology utilised by small and medium-sized enterprises (SMEs) in the culinary industry in Langsa and their overall performance. The interview results reveal that technology is the most significant opportunity for SMEs in the culinary sector in Langsa to improve their performance. This assertion is consistent with the argument by [Dewi & Utari \(2014\)](#) that technology serves as a means to augment efficiency and effectiveness within the realm of company operations.

3.5.2. Supplier

The findings derived from the examination of the questionnaire responses suggest that supplier-related factors have a noteworthy role in the identification of chances for Small and Medium-sized Enterprises (SMEs) operating within the culinary sector in the city of Langsa. The number of respondents who selected opportunities was 8, whilst the number of respondents who selected risks was 2. The findings align with the results reported by [Sandra & Purwanto \(2017\)](#) as well as [Fibriyani & Mufidah \(2018\)](#), illustrating that the involvement of suppliers has a constructive and noteworthy influence on the operational effectiveness of Micro, Small, and Medium-sized Enterprises (MSMEs). This implies a positive correlation between the level of power exerted by suppliers in Small and Medium-sized Enterprises (SMEs) operating in the culinary sector in Langsa and the performance outcomes of these SMEs. The abovementioned interview suggests that suppliers play a significant role as an opportunity element that impacts the success of Small and Medium-sized Enterprises (SMEs) operating in the culinary sector in Langsa. Suppliers play a crucial role in the micro external environment by facilitating growth and enhancing the performance of micro, small, and medium enterprises (MSMEs) by implementing favorable, consistent, and foreseeable environmental regulations ([Pramestiningrum & Iramani, 2020](#)).

3.5.3. Government Policies

The findings derived from the questionnaire analysis suggest that government policies present a favorable prospect for the performance of Small and Medium-sized Enterprises (SMEs) operating within the culinary sector in Langsa City. Out of the total respondents, six individuals opted for chances, whilst four individuals selected threats. The findings align with the results of previous studies conducted by [Novitasari \(2022\)](#), [Sandra & Purwanto \(2017\)](#) and [Siswanti \(2020\)](#), which demonstrate that government policies have a favorable and statistically significant influence on the performance of Micro, Small, and Medium-sized Enterprises (MSMEs). This implies a positive correlation between the effectiveness of government programmers targeting Small and Medium-sized Enterprises (SMEs) in the culinary sector in Langsa City and the level of performance exhibited by these SMEs. The interview findings indicate that government policies progressively present favorable conditions for the growth and development of Small and Medium-sized Enterprises (SMEs) operating in the culinary industry within Langsa City. Small and medium-sized

enterprises (SMEs) have the potential to experience growth and prosperity when they receive assistance from their external environment. This support includes favorable economic conditions within the country, and initiatives focused on fostering and implementing programmers specifically designed to facilitate the growth and advancement of SMEs (Purwaningsih & Haryono, 2019).

3.5.4. Financial Inclusion

The findings derived from the questionnaire analysis suggest that financial inclusion has a significant role in determining the level of opportunity available to Small and Medium-sized Enterprises (SMEs) operating within the culinary sector in Langsa City. Out of the total respondents, eight individuals opted for chances, whilst two individuals selected threats. The findings align with the results reported by Sanistasya et al. (2019), Iko Putri Yanti (2019), Septiani & Wuryani (2020), and Darmawan et al. (2021), indicating that there is a favorable and statistically significant relationship between financial inclusion and the performance of Micro, Small, and Medium-sized Enterprises (MSMEs). This implies a positive correlation between the degree of financial inclusion for Small and Medium-sized Enterprises (SMEs) operating in the culinary sector in Langsa City and their overall success. The abovementioned interview suggests a potential for Small and Medium-sized Enterprises (SMEs) operating in the culinary industry within Langsa City to improve their performance through financial inclusion. According to Septiani & Wuryani (2020), the measurement of financial inclusion can be conducted by utilizing many variables, including but not limited to the possession of savings accounts, insurance coverage, utilization of payment services, and availability of loans from informal financial entities (Septiani & Wuryani, 2020).

3.6. External Factors

3.6.1. Purchasing Power

The findings derived from the questionnaire analysis suggest that consumers' purchasing power poses a significant risk to the operational performance of Small and Medium-sized Enterprises (SMEs) operating within the culinary industry in Langsa City. Out of the total respondents, an equal number of individuals, namely five, expressed a preference for opportunities, while an equivalent number of respondents, likewise five, indicated a preference for threats. The findings align with the results reported by Arif (2022) who asserts that purchasing power exerts a favorable and statistically significant influence on Micro, Small, and Medium-sized Enterprises (MSMEs) performance. This implies a positive correlation between the spending power of consumers in culinary small and medium enterprises (SMEs) in Langsa City and their success. The findings from the interview suggest that purchasing power poses a significant challenge for small and medium-sized enterprise (SME) operators within the culinary sector in Langsa City, as it hampers their ability to enhance their overall performance. Atmaja & Maryani (2021) assert that the current epidemic poses a significant economic threat. As a result, enterprises are compelled to implement measures such as reducing employee working hours and, in some cases, even shutting down their operations. This phenomenon undoubtedly impacts the overall earnings of the general populace, influencing their purchasing power as consumers.

3.6.2. Raw Material Inventory

The findings derived from the questionnaire analysis suggest that the presence of raw material inventory poses a significant risk to the operational efficiency and overall performance of Small and Medium-sized Enterprises (SMEs) operating within the culinary sector in Langsa City. Three participants selected opportunities, whilst seven participants selected threats. The findings align with the research conducted by Hartono & Hartomo (2016) as well as Lewohokol et al. (2020), which suggest that raw materials serve as an external element that impacts the performance of Micro, Small, and Medium-sized Enterprises (MSMEs). In a recent study conducted by Sari et al. (2022), it was demonstrated that raw materials exert a noteworthy and favorable influence on the operational effectiveness of small and medium-sized enterprises (SMEs). This implies a positive correlation between the quality of raw material inventory in culinary small and medium enterprises (SMEs) located in Langsa City and their overall performance. The interview mentioned above suggests that the presence of raw material inventories is a performance challenge for small and medium-sized enterprise (SME) operators in the culinary sector of Langsa City. Raw materials are of utmost importance in several manufacturing processes. The cost level of raw materials is subject to significant influence from the expenses associated with their purchase, transportation, and storage. These factors can result in either high or low costs for raw materials. The above prices strongly correlate with the precise quantity of raw material acquisitions. It is advisable to procure raw materials under detailed quantity specifications. Insufficient procurement of raw materials can lead to production disruptions, whereas excessive procurement or the accumulation of excess inventory might result in elevated storage expenses (Glaros et al., 2022).

3.6.3. Business Competition

The findings derived from the questionnaire analysis suggest that business competition emerges as the predominant issue posing a threat to the performance of Small and Medium-sized Enterprises (SMEs) operating within the culinary sector in Langsa City. Out of the total replies, two individuals opted for chances, whilst eight individuals selected threats. The findings are consistent with the research conducted by [Herman & Nohong \(2022\)](#), which posits that the performance of Micro, Small, and Medium-sized Enterprises (MSMEs) is positively and significantly influenced by business competition. This implies a positive relationship between the level of business competition, namely competitive advantage, among culinary small and medium enterprises (SMEs) in Langsa City and their performance. The abovementioned interview indicates that business rivalry is a substantial challenge to small and medium-sized enterprises (SMEs) operating in the culinary industry within Langsa City, particularly concerning enhancing their performance. Hence, there exists a need for culinary small and medium-sized enterprise (SME) operators to attain a robust competitive edge. According to [Nainggolan & Heryenzus \(2018\)](#), acquiring a competitive edge is necessary for businesses to endure in the face of fierce competition. Properly implementing competitive advantage substantially impacts the profitability and performance of small and medium-sized enterprises (SMEs).

3.7. Strategy for Enhancing the Performance of Culinary SME Actors Through SWOT Analysis in Langsa City

3.7.1. Matrix IFASS Dan EFAS

Table 4. Internal Factor Analysis Summary (IFAS)

Internal Factors	Weight	Rating	Score
Strengths			
Business Network	0,16	3,7	0,60
Financial Capital	0,15	3,5	0,53
Product Innovation	0,16	3,6	0,56
Product Quality	0,16	3,7	0,60
Entrepreneurial Orientation	0,17	3,8	0,64
Total	0,80		2,93
Weakness			
Financial Literacy	0,11	2,5	0,27
Marketing Strategy	0,10	2,2	0,21
Total	0,20		0,48
Cumulative Score	1,00		3,41

Table 4 captures the Internal Factor Analysis Summary (IFAS) Matrix indicates a cumulative score of 3.41 for the internal factors. The abovementioned observation is evident in the aggregate strength score of 2.93 and the corresponding weakness score of 0.48. The element that attains the highest score in terms of strength is entrepreneurial orientation (S5), with a score of 0.64. Conversely, financial literacy (W1) prevails in weak factors with a score of 0.27. Given the comprehensive analysis of internal strategic elements, it is imperative to emphasize enhancing areas of weakness while capitalizing on the potential of strengths.

Table 5. External Factor Analysis Summary (EFAS)

External Factors	Weight	Rating	Score
Opportunities			
Technology	0,14	3,2	0,44
Suppliers	0,14	3,3	0,46
Government Policies	0,14	3,2	0,44
Financial Inclusion	0,12	2,8	0,33
Total	0,53		1,67
Threats			
Purchasing Power	0,16	3,7	0,58
Raw Materials	0,15	3,5	0,52
Business Competition	0,16	3,8	0,61
Total	0,47		1,71

Cumulative Score

1,00

3,38

Table 5 shows EFAS Matrix indicates a cumulative score of 3.38 for the external components. The value of opportunities is observed to be 1.67, while the value of threats is recorded at 1.71. The opportunity element with the most significant score is attributed to suppliers (O2), which has a value of 0.46. Conversely, the most prevalent threat factor is business competition (T3), with a score of 0.61. Therefore, the significance of opportunities can be utilized as a foundation for implementing policies to consistently enhance the performance of Small and Medium-sized Enterprises (SMEs) to mitigate prevailing dangers. The comprehensive ratings encompass individual values for several factors, namely strength (2.93), vulnerability (0.48), opportunity (1.67), and risks (1.71). The disparity between the cumulative score of strengths and weaknesses is 2.45, but the discrepancy between the score of opportunities and threats is -0.04. Based on the above calculations, the data can be visually displayed as a Cartesian diagram (see Figure 1).

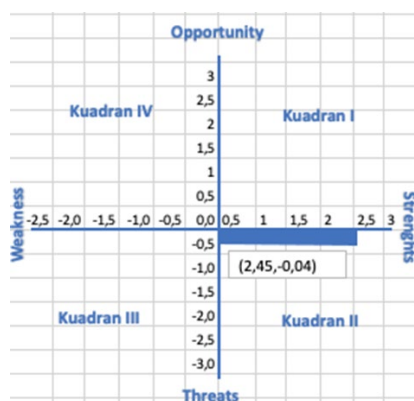


Figure 1. Cartesian Matrix Diagram of the Strategy Positioning for Improving the Performance of SMEs in the Culinary Sector in Langsa City

Figure 1 captures the performance of Small and Medium-sized Enterprises (SMEs) operating in the culinary sector within Langsa City is situated within the continuum of strengths and threats. SWOT analysis reveals that the strategy employed by small and medium-sized enterprise (SME) participants in the culinary sector in Langsa City is centered on product diversification. The Cartesian diagram representing the SWOT analysis reveals that quadrant II has the highest cumulative score. Multiple threats characterize this quadrant; however, small and medium-sized enterprise (SME) participants still possess internal strengths. These strengths have the potential to mitigate several imminent threats. Hence, small and medium-sized enterprise (SME) operators have the potential to augment their understanding of financial literacy and marketing techniques as a means to mitigate prevailing challenges. Upon acquiring the IFAS as mentioned above and EFAS analyses, it is imperative to conduct additional research by consolidating the strategic variables into the SWOT matrix, as depicted in Table 6.

Table 6. Matrix SWOT (Strength, Weakness, Opportunity, Threats)

Internal Factors	(Strength) (S)	(Weakness) (W)
	Business Network (S1) Financial Capital (S2) Product Innovation (S3) Product Quality (S4) Entrepreneurial Orientation (S5)	Financial Literacy (W1) Marketing Strategy (W2)
External Factors	(S-O)	(W-O)
Opportunities (O)	(S-O)	(W-O)
Technology (O1)	Utilizing Internet networking technologies to leverage corporate networks to exchange online information, showcase product catalogues, and disseminate promotional media to consumers and suppliers. (S1,O1,O2)	To empower small and medium- sized enterprise (SME) players, enhancing their financial literacy competency and marketing strategies is crucial. This can be achieved by participating in training programmers offered by the Cooperative and SME Agency, aligning with government policy. (W1,W2,O3)
Suppliers (O2)	The implementation of cashless payment systems and the utilization of digital cash registers are employed to enhance financial capital management. (S2,O1)	The utilization of information technology to execute marketing plans to enlarge
Government Policies (O3)		
Financial Inclusion (O4)		

<p>Threats (T) Purchasing Power (T1) Raw Material Inventory (T2) Business Competition (T3)</p>	<p>Businesses can effectively boost their performance by utilizing entrepreneurial orientation, financial inclusion service programmers, and government policies such as capital assistance, licensing, and training. (S5,O3,O4)</p> <p>By employing strategies like product innovation, product quality, and entrepreneurial orientation, organizations can establish and nurture a robust connection with consumers, ultimately cultivating their loyalty towards the items offered. (S3,S4,S5)</p> <p>(S-T)</p> <p>Utilizing financial resources and establishing a robust business network comprising several suppliers to ensure the uninterrupted availability of raw material inventory. This facilitates establishing mutually advantageous partnerships concerning pricing, quality, and punctual fulfillment. (S1,S2,T2)</p> <p>The implementation of entrepreneurial orientation can be achieved by intensifying efforts in innovation and enhancing product quality to effectively address the problems posed by competition in the contemporary corporate landscape. (S3,S5,S4,T3)</p> <p>Product innovation involves introducing unique elements that demonstrate superior qualities in terms of flavor, pricing, and visually appealing packaging. The objective of this action is to augment the purchasing power of consumers. (S3,S4,T1)</p>	<p>market share and augment sales volume. (W2,O1)</p> <p>(W-T)</p> <p>Business operators must improve their financial literacy skills and establish standard operating procedures (SOPs) for managing raw material inventory. This will contribute to developing a more organized culinary business and maintaining a consistently high level of service quality.(W1,T2)</p> <p>In order to effectively navigate the competitive landscape of the business world, business operators must adopt a proactive approach to implementing marketing strategies. This encompasses the provision of prompt responses to client demands, establishing competitive pricing strategies, and promoting items through diverse advertising channels, including banners, neon signs, and popular social media platforms such as What Sapp, Instagram, and Facebook. As a result, this promotional initiative can enhance convenience and efficiency while fostering a rise in customer spending power. (W2,T1,T3)</p>
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3.7.2. Analysis of Strategies for Improving the Performance of Culinary SME Players in Langsa City

Among the culinary SME players in Langsa City, strategies are determined, including:

1) S-O Strategy (Strength-Opportunities)

This plan is developed by business operators who consider many factors to utilize their talents and exploit available chances effectively. The culinary sector in Langsa City is characterized by using Strength-Opportunity (S-O) strategies by Small and Medium-sized Enterprises (SMEs).

- a. Leveraging business networks via Internet networking technology to promote the flow of online information, product catalogues, and promotional media between consumers and suppliers.
- b. Implementing a payment system that utilizes non-cash technology and digital cash registers to enhance the efficiency and organization of financial capital management.
- c. Utilizing entrepreneurial orientation, financial inclusion, and government programmers such as capital assistance, licensing, and training to augment business performance to a greater extent.
- d. Employing product innovation, product quality, and entrepreneurial orientation strategies to cultivate a robust consumer relationship, hence nurturing customer loyalty towards the products.

2) S-T Strategy (Strength-Threat)

A design that leverages strengths to mitigate threats includes:

- a. Employing financial resources and establishing a business network encompassing numerous suppliers to provide a consistent and uninterrupted flow of raw materials. This facilitates mutually advantageous relationships, particularly in pricing, quality, and punctual delivery.
- b. Adopting an entrepreneurial attitude through enhancing innovation and product quality is vital for organizations to improve their competitive capabilities in the dynamic business landscape.
- c. Implementing product innovation involves identifying and establishing unique attributes that excel in terms of flavor, price, and visually appealing packaging. The objective of this initiative is to enhance the purchasing power of consumers.

3) W-O Strategy (Weakness-Opportunities)

This approach is executed by capitalizing on existing possibilities while minimizing and resolving recognized flaws. The strategies that have been implemented are outlined as follows:

- a. The empowerment of small and medium-sized enterprise (SME) players is being pursued through the participation in training programmers organized by the Cooperative and SME Agency under government regulations. These programmers aim to enhance financial literacy competency and marketing tactics.
- b. Using information technology to execute marketing strategies to increase market share and enhance sales performance.

4) W-T strategies (Weakness-Threats)

- a. The proposed method is predicated on adopting a defensive posture to address vulnerabilities and circumvent potential risks. Several W-T techniques implemented by culinary small and medium-sized enterprise (SME) participants can be observed.
- b. Business operators should be able to improve their financial literacy competency, effectively apply standard operating procedures (SOPs), and manage raw material inventory. This activity aims to enhance the organizational structure and uphold a high standard of service quality within the culinary industry.
- c. Business operators should have a proactive approach to implementing marketing strategies to address competition within the market. The methods encompass responsiveness to client demands, establishment of competitive pricing, and utilization of diverse promotional channels, including banners, neon signs, and social media platforms such as What Sapp, Instagram, and Facebook. By implementing these strategies, the advantages obtained from promotional activities will be more readily attained, expenses will be more effectively controlled, and consequently, there will be a notable enhancement in customer buying potential.

4. Conclusions

In conclusion, the performance of small and medium-sized enterprises (SMEs) in the culinary sector in Langsa City is driven by two primary elements: internal factors and external factors. The inner dimension is influenced by various things, namely strengths and weaknesses. Strength aspects include business networks, financial capital, product innovation, product quality, and entrepreneurial orientation. Regarding deficiencies, they can be categorized as financial literacy and marketing strategy. Based on the findings of the Internal Factors Analysis Summary (IFAS) and External Factors Analysis Summary (EFAS), it is evident that the primary decisive factor is the entrepreneurial orientation (S5), which has obtained a score of 0.64. Financial literacy (W1) stands out as the most prominent aspect in the domain of weakness factors, exhibiting a value of 0.27. Given the comprehensive scope of internal strategy variables, it is imperative to prioritize the enhancement of weak areas while concurrently optimizing the use of current strengths. In the present circumstances, it is essential to discern and deliberate upon the various opportunities and threats concerning external factors that impact performance. The opportunity variables encompass technology components, governmental policy, and financial inclusion. In this context, threat factors comprise several elements, such as purchasing power, availability of raw materials, and rivalry within the corporate landscape. According to the findings of the External Factors Analysis Summary (EFAS), the opportunity factor received the highest score in suppliers (O2), with a value of 0.46. On the other hand, business competition (T3) exhibits a dominant presence with a threat factor score of 0.61. Hence, as mentioned above, the opportunity values serve as the foundation for policies designed to consistently enhance the performance of small and medium-sized enterprises (SMEs) operating within the culinary industry, intending to address a range of issues these businesses encounter effectively.

The findings of the study, utilizing the SWOT analysis framework, suggest that small and medium-sized firms (SMEs) operating in the Culinary sector in Langsa City are now adopting a product diversification strategy. This

observation is derived from the indications presented in the Cartesian diagram of the SWOT analysis. It indicates that quadrant II has the most significant aggregate score, which signifies a strategic response to several threats. However, despite the challenges faced by small and medium-sized enterprises (SMEs) in the culinary industry, they possess particular internal strengths. One such strength is their ability to leverage financial capital and establish a wide-ranging business network with several suppliers. This enables them to maintain a consistent supply of raw materials for their operations. This facilitates the formation of mutually advantageous partnerships concerning cost, quality, and timeliness of delivery. 2) Implementing entrepreneurship orientation through enhancing innovation and product quality is crucial for competitiveness in the contemporary business landscape. 3) Enhancing product innovation by using unique taste profiles, competitive pricing strategies, and visually appealing packaging, ultimately augmenting customer buying potential.

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