



## STRATEGIES FOR IMPROVING SMALL AND MEDIUM ENTERPRISES (SMEs) AROUND ELEMENTARY SCHOOLS

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### ABSTRACT

*This study aims to identify and analyze strategies that can enhance Micro, Small, and Medium Enterprises (MSMEs) around elementary schools. Using a qualitative research method with a case study approach, data was collected through observation, interviews, and situational analysis. The findings reveal that MSMEs are already utilizing specific strategies to operate their businesses. The key to these strategies lies in a deep understanding of the needs and behaviors of the school community, including students, teachers, and parents. By understanding these dynamics, MSMEs can tailor their product or service offerings to meet the specific needs of that community. Utilizing these strategies, MSME actors around elementary schools can thrive and leverage opportunities within the school environment. These strategies can also assist MSMEs in enhancing performance, expanding their reach, and building a strong foundation for long-term sustainability.*

**Keywords:** Strategy, UMKM

### A. INTRODUCTION

The progression and advancement of Micro, Small, and Medium Enterprises (MSMEs) within the Indonesian economic landscape have exhibited a remarkable acceleration on an annual basis, characterized by not only a substantial increase in the sheer number of operational units but also a significant enhancement in employment opportunities and the overall volume of goods and services generated. One of the most effective strategies to fortify the economic framework of Indonesia lies in amplifying the support mechanisms and bolstering the pivotal role of MSMEs, which have consistently demonstrated their robustness and ability to endure even in the face of the severe economic downturn experienced during the crisis of 1998. Nevertheless, upon closer examination of the extensive array of MSMEs operating within the country, it becomes apparent that approximately 70% of these enterprises were established primarily as a direct response to economic adversity, rather than stemming from the possession of distinctive products or specialized skills in a specific domain.

This phenomenon raises critical questions regarding the underlying motivations for entrepreneurship among these small business owners, as well as the implications for the overall economic development strategy in Indonesia. Ultimately, understanding the dynamics that drive the establishment and longevity of MSMEs will be essential for policymakers to formulate effective interventions that not only promote sustainable growth but also enhance the resilience of these enterprises in the face of future economic challenges. Therefore, it is imperative that concerted efforts are made to create an

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environment conducive to innovation and competitiveness, ensuring that MSMEs can thrive and contribute meaningfully to the national economy.

The circumstances surrounding the operational environment for Micro, Small, and Medium Enterprises (MSMEs) in Indonesia result in a significant deficiency in their competitive edge when compared to larger entities within the marketplace. In order for these MSME stakeholders to not only survive but also to flourish amidst the escalating challenges posed by an increasingly cutthroat commercial landscape, it is imperative that they cultivate a diverse array of skills, adhere to professional standards in their work practices, maintain adept financial management, and demonstrate an unwavering capability to innovate within their respective business models. (Rahmawati, 2016).

Particularly for small and medium enterprises (SMEs) that are situated in proximity to elementary educational institutions, these businesses encounter not only a highly competitive marketplace but also a pressing necessity to remain acutely aware of the particular demographics and preferences of their target consumer base that is inherent to SMEs. Naturally, this prevailing scenario compels entrepreneurs and managers within the SME sector to devise and implement tailored strategies that are capable of not merely piquing the interest of potential customers but also introducing novel and distinct innovations that enable them to effectively vie against competing products that are offered by rival businesses. Thus, the imperative for SMEs to engage in continuous market analysis and adaptive strategy formulation cannot be overstated, as such efforts are essential for ensuring their sustainability and profitability in an increasingly saturated market environment.

Moreover, the incorporation of the Micro, Small, and Medium Enterprises (MSME) business model within the curriculum at the elementary education level is intended to furnish students with a profound comprehension of the significant and multifaceted contributions that MSMEs make to both the local and national economic frameworks. By gaining insights into this fundamental concept, it is anticipated that young learners will cultivate a genuine interest in, as well as essential skills pertinent to, the realm of entrepreneurship from a very formative age. The enhancement of entrepreneurial competencies during these early developmental stages can serve as an invaluable asset for students as they navigate and confront the myriad challenges that lie ahead in their future endeavors. Through the exploration and study of small and medium enterprises (SMEs), students will have the opportunity to engage with critical themes such as innovation, creative problem-solving, and the audacity to embrace calculated risks, all of which are quintessential attributes of a successful entrepreneur. By embedding these concepts into their educational experience, students are not only preparing themselves for potential future careers but also contributing to the overall economic vitality of their communities. In this way, the pedagogical emphasis on MSMEs serves as a foundational element in fostering a new generation equipped with the necessary tools to thrive in an increasingly complex and competitive global market.

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## **B. RESEARCH METHOD**

This scholarly investigation employs a qualitative research methodology characterized by a case study approach, which allows for an in-depth examination of specific instances within a defined context. The process of data collection was systematically executed through a combination of direct observation, in-depth interviews, and comprehensive situational analysis, ensuring a robust understanding of the phenomena under study. The observational component involved a meticulous assessment of the efficacy of various strategies implemented by small and medium enterprises (SMEs) operating in proximity to an elementary educational institution. Furthermore, the researchers diligently scrutinized the resultant product outcomes while simultaneously evaluating the operational management practices of micro, small, and medium enterprises (MSMEs), alongside an analysis of consumer interest and demand for the products offered. In addition to observational data, interviews were conducted with key stakeholders in the MSME sector, aimed at evaluating the effectiveness of their strategic approaches by engaging with MSME actors to discuss product innovation. Simultaneously, interviews with consumers were undertaken to gather insights regarding their preferences and expectations concerning the products that emerged from these enterprises, thereby providing a comprehensive view of the market dynamics at play. Ultimately, this multifaceted research design not only illuminates the interplay between strategic execution and consumer behavior but also contributes valuable knowledge to the field of enterprise management.

## **C. RESULTS AND DISCUSSION**

### **A. UMKM**

Micro, Small, and Medium Enterprises (MSMEs) represent a diverse and multifaceted segment within the broader business landscape, encompassing a wide array of enterprises that operate on a relatively diminutive scale when compared to larger corporations. These entities are often characterized by their establishment as either sole proprietorships or family-run businesses, which inherently limits their workforce to a relatively small number of employees, while also resulting in modest revenue generation and constrained access to financial and material resources. Notwithstanding their limited size and scope, MSMEs are undeniably pivotal to the economic fabric of a nation, as they make substantial contributions to the generation of employment opportunities, serve as catalysts for economic advancement, and play an instrumental role in bolstering the welfare of communities by fostering local development and social cohesion. Therefore, it is essential to recognize and appreciate the profound impact that these enterprises have on the overall economic ecosystem, as they not only provide livelihoods for countless individuals but also contribute to the vibrancy and resilience of the economy at large.

SMEs can encompass various types of businesses, ranging from the production of goods or services, trade, to service provision. Examples of micro, small, and medium enterprises (MSMEs) include food stalls, grocery stores, internet cafes, motorcycle repair shops, and many more. Due to the diversity of their business types, MSMEs play an important role in expanding market access, maintaining economic diversity, and supporting inclusive economic growth. In many countries, MSMEs are often regarded as the backbone of the

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economy because of their significant contribution to economic development. However, MSMEs also frequently face various challenges, such as limited access to capital, constraints in accessing markets, intense competition, and dynamic regulatory changes. Therefore, support from the government, the private sector, and financial institutions is crucial to help SMEs grow and survive in a competitive business environment.

## **B. Activities of Micro, Small, and Medium Enterprises (MSMEs) Around Elementary Schools**

The geographical areas surrounding educational institutions, particularly schools, often experience a heightened level of activity and foot traffic, which serves to create highly advantageous locations for small and medium-sized enterprises (SMEs) seeking to establish their commercial operations. These enterprises, particularly those situated in proximity to elementary schools, frequently provide a diverse array of products and services specifically tailored to meet the unique needs and demands of both the student body and the teaching staff. In light of this context, it is pertinent to identify and analyze the various prevalent forms of SMEs that are typically found in the vicinities surrounding elementary educational facilities, as they play a crucial role in the local economy. The following delineates several common manifestations of such small and medium enterprises that are frequently encountered in these bustling environments adjacent to elementary schools.

1. **Toy Store.** The most common small and medium-sized enterprise (SME) around elementary schools is the toy store, which is certainly very suitable for the characteristics of children who still love to play. However, the SME operators must also adjust the types of toys to the pocket money that elementary school students have, so that they will be able to buy the toys being sold.
2. **A food or beverage stall.** Running a snack business around elementary schools is quite promising because children really enjoy snacks, whether during breaks or after school. Especially if the food and drinks are affordable and have a delicious taste and appealing appearance, they are more likely to be purchased by elementary school students. However, small and medium enterprises (SMEs) must also pay attention to where they will sell their products. If SMEs operate their businesses on the roadside, it could not only disrupt traffic but also pose a danger to the elementary school students.
3. **Stationery and Photocopy Shop.** The last type of small and medium-sized enterprise (SME) commonly found around elementary schools is the stationery and photocopy shop. Usually, students are asked by teachers to create a project to foster their creativity, and therefore, students certainly need the materials or tools required to make those projects. This is what makes stationery and photocopy shops very necessary around elementary schools; not only students but also teachers and staff greatly need this type of SME, especially if the facilities available for photocopying are not provided at school.

These small and medium enterprises (SMEs) not only provide the services needed by schools but also create job opportunities for those who want to start a business with minimal capital and offer affordable products.

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### **C. Strategies for Enhancing MSMEs Around Elementary Schools**

The strategy for improving the economy of MSMEs is a series of steps or action plans designed to strengthen the MSME sector, enhance competitiveness, and support the growth of small and medium-sized enterprises. Similarly, the small and medium enterprises (SMEs) located around elementary schools, whose market focuses on students, teachers, and staff, need to adopt more varied strategies. Here are the common strategies of small and medium enterprises (SMEs) found around elementary schools:

1. Finding a strategic location. The most basic and also the most important strategy for SMEs is to find a suitable place to sell. UMKM actors need to consider the location so that buyers will feel comfortable waiting in line. For example, buyers will definitely feel more at ease queuing in a cool area compared to one exposed to direct sunlight. Therefore, finding a strategic location is the most important thing to successfully run a small and medium-sized enterprise.
2. Selling products that have competitive value. Children usually love to compete and have a strong desire not to lose, so selling products with competitive value will certainly be more appealing to them, as it will make them happy if they win the game. An example is the game of marbles, which usually becomes the property of the winner of the game. Of course, this makes the product appealing because it can serve as a basis for betting. In addition, products that have competitive value will influence the character of these children, such as becoming more accepting of defeat and more open-minded.
3. Creating an interesting trend. Micro, Small, and Medium Enterprises (MSMEs) must collaborate to make their products popular among children. Typically, MSME actors in one school sell the same products as those in another school, which can make their products not only popular in one school but potentially a trend across different villages. For example, bamboo toy sellers who market their products around the same time create a situation where children from various schools have the same toys, which can certainly become a very effective sales strategy.
4. Giving sample gifts. Children will surely feel happy when given gifts, which is why offering gifts as a purchase bonus can encourage them to return to buy products again. This is similar to what meatball vendors do, where sometimes they give bonuses to new customers, which can make those customers come back the next day or the day after.
5. Attractive Product Arrangement. Proper product arrangement can be an attraction for a store. This arrangement can lead buyers to purchase more items than their original intention. Sellers can categorize products that have similar functions, such as pens and pencils, with various types placed close together. This can attract buyers and encourage them to consider purchasing those items. Moreover, good arrangement can make it easier for sellers to manage the available stock.

Through the implementation of these meticulously crafted strategies, small and medium enterprises (SMEs) situated in close proximity to elementary educational institutions have the potential to experience significant growth and capitalize on the myriad opportunities that are inherently available within the school environment, which is characterized by a rich tapestry of community engagement and a diverse clientele. Moreover, the adoption of these strategic approaches not only fosters enhanced performance metrics for SMEs but also facilitates an expansion of their operational reach, all the while concurrently establishing a

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robust and sustainable foundation that is essential for long-term viability and success in an ever-evolving market landscape.

#### **D. CONCLUSION**

The strategic framework that governs the operations of small and medium enterprises (SMEs) situated in proximity to elementary educational institutions is a multifaceted and holistic methodology that is meticulously crafted to capitalize on the distinctive and advantageous opportunities that arise within the context of the academic environment. At the heart of this strategy lies an intricate and profound comprehension of the diverse needs and behavioral patterns exhibited by the various stakeholders within the school community, which encompasses not only the students who are the primary recipients of educational services, but also the educators and faculty members who facilitate the learning process, as well as the parents who play a pivotal role in supporting their children's education. By acquiring a nuanced understanding of this complex dynamic, SMEs can effectively tailor their product or service offerings to align with the specific and sometimes unique requirements of the community they serve, thereby enhancing their relevance and utility.

Moreover, through the implementation of well-conceived and effective strategic initiatives, small and medium enterprises (SMEs) situated in the vicinity of elementary schools can not only navigate the challenges of the marketplace and ensure their sustainability, but they can also flourish and prosper, thereby making significant contributions to both the immediate school community and the broader local economy. The successful execution of these strategies necessitates a robust understanding of market demands, an innovative and creative approach to marketing, as well as a remarkable capacity to adapt swiftly to the ever-evolving changes that characterize the business landscape. Ultimately, the long-term viability and success of these SMEs will be contingent upon their relentless pursuit of innovation and their ability to cultivate and sustain strong, meaningful relationships with their customer base, which is integral to fostering loyalty and ensuring ongoing patronage.

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