

STRATEGY FOR MICRO AND SMALL BUSINESSES DEVELOPMENT IN THE FISHERIES SECTOR IN NORTH HALMAHERA REGENCY, INDONESIA

Hendriane Namotemo^{*)}, Femsy Kour^{**)}, Anita Dilly^{*)}, Febrina Olivia Akerina^{**)}, and Angelina Lioni Amahorseja^{**)}

^{*)} Business Administration Department, Hein Namotemo University
Jl. Kawasan Pemerintahan Tobelo, North Maluku, Indonesia, 97762

^{**)} Fishery Product Technology Department, Hein Namotemo University
Jl. Kawasan Pemerintahan Tobelo, North Maluku, Indonesia, 97762

Abstract: Micro and small enterprises (MSEs) play a vital role in the sustainability of regional economic development. The fisheries and agriculture sectors are the two leading sectors in North Halmahera Regency, contributing around 23% of the region's Gross Regional Domestic Product (GRDP). The purpose of this study is to identify external and internal factors that influence the development of fisheries MSEs and to formulate a strategy for developing MSEs in the fisheries sector. The data was collected using interviews with 30 respondents and focus group discussions. The analysis used external factor analysis (EFAS), internal factor analysis (IFAS), and SWOT analysis to formulate a strategy for developing MSEs' players. The results of the interviews show fisheries MSEs face challenges such as lack of infrastructure, limited capital, and limited competence in the fishery process. According to the IFAS results, the fisheries MSEs in North Maluku have a more significant weakness score than the strengths indicated by the score -0.49. Based on EFAS results, the fisheries MSEs in North Maluku have more significant opportunities than threats. The SWOT analysis indicates the MSEs in the fisheries sector in North Halmahera are in quadrant II, which supports a potential development strategy, including market development, market penetration, product development, and horizontal integration.

Keywords: Micro and small business, fishery, Strategy development, SWOT, EFAS, IFAS

Abstrak: Usaha mikro dan kecil (UMK) memainkan peran penting dalam keberlanjutan pembangunan ekonomi daerah. Sektor perikanan dan pertanian merupakan dua sektor unggulan kedua di Kabupaten Halmahera Utara yang menyumbang sekitar 23% dari Produk Domestik Regional Bruto (PDRB) daerah. Tujuan dari penelitian ini adalah untuk mengidentifikasi faktor eksternal dan internal yang mempengaruhi perkembangan UMK perikanan serta merumuskan strategi pengembangan UMK sektor perikanan. Pengumpulan data dilakukan dengan wawancara dengan 30 responden dan focus group discussion. Analisis menggunakan analisis faktor eksternal (EFAS), analisis faktor internal (IFAS) dan analisis SWOT untuk merumuskan strategi pengembangan pelaku UMK. Hasil wawancara menunjukkan UMK perikanan menghadapi tantangan seperti minimnya infrastruktur, keterbatasan modal, dan keterbatasan kompetensi dalam proses kelemahan yang lebih signifikan dibanding kekuatan yang ditunjukkan dengan skor -0,49. Berdasarkan hasil EFAS, UMK perikanan di Maluku Utara memiliki peluang yang lebih signifikan daripada ancaman. Analisis SWOT menunjukkan UMK sektor perikanan di Halmahera Utara berada pada kuadran II yang mendukung strategi pengembangan yang potensial, meliputi pengembangan pasar, penetrasi pasar, pengembangan produk, dan integrasi horizontal.

Kata kunci: usaha mikro dan kecil, perikanan, pengembangan strategi, SWOT, EFAS, IFAS

¹ Corresponding author:
Email: hnamotemo@gmail.com

INTRODUCTION

Micro and small enterprises (MSEs) have a significant contribution and play an essential role in the Indonesian economy. The role of MSEs is quite dominant in the Indonesian economy with a large number and spreads in every economic sector, and has a considerable contribution to employment and the formation of Gross Domestic Product (Sarfiyah et al. 2019). Data from the Ministry of Cooperatives and Small and Medium Enterprises shows that in 2018 there were 64,194,057 micros, small and medium enterprises (MSME) in Indonesia and employed 116,978,631 workers (Hardilawati, 2020). Micro, small, and medium Enterprises have advantages in fields that utilise natural resources and are labor-intensive, namely in the agriculture, livestock, fisheries, trade and restaurants sector (Sarfiyah et al. 2019).

According to Law No. 20 of 2008, micro, small, and medium enterprises (MSMEs) are defined as small companies owned and managed by a small group of people with a certain amount of wealth and income. The law also classifies MSMEs into different business scales based on the number of assets and income they have. Another source, from the Central Bureau of Statistics, classifies MSMEs based on their number, ranging from small businesses ranging from 1-4 workers to large businesses with more than 100 workers.

In North Maluku province, MSEs have shown a significant contribution to economic activity. According Head of the Directorate General Treasury of North Maluku, around 98% or around 82,549 of businesses or companies in North Maluku in the scale of MSEs. The wholesale and retail trade sector is still the dominant sector, with a percentage of 43.76%, and is the largest contributor to employment, absorbing 85.45% of all economic activities. In the North Halmahera district, the MSME group is one of the main drivers of the community's economy, with the number of MSME players being 664 or 99% of the total business actors in 2018. The high number of MSMEs makes the sustainability of MSMEs play a vital role in society's economic sustainability. The development of the number of companies from year to year in North Halmahera district, as seen in Table 1.

Table 1. The number of small, medium, and extensive enterprise in North Halmahera Regency, Indonesia in the year 2015-2018

Size	2015	2016	2017	2018
Large enterprise	1	2	2	2
Medium enterprise	2	2	2	2
Small enterprise	589	945	982	662
Total	592	949	986	666

Source: BPS, 2020

The development of MSEs is determined by the internal and external factors of the MSEs. The Internal and external factors of the organisation affect organizational performance and sustainability. Internal factors include various capacities and resources owned by the organisation, including financial, human resources and marketing aspects (Hove and Tarisai, 2013; Radzi et al. 2017). Organizational resources in MSEs are organizational assets, both tangible and intangible (Radzi et al. 2017). MSEs' external factors that also affect the organization's sustainability include the supply chain of MSEs in the related sector or industry (McManus et al. 2007). An explanation of each of these aspects is presented below.

The financial factor of MSEs is one of the main factors that support the sustainability of MSEs. Financial factors can consist of assets, capital, profit, financial management, and business financing access. Several previous studies have found that financial management in MSEs is still low and has many weaknesses. This is due to the financial accounting system, which is not standardized, and the limited competence of human resources (Mulyani, 2014). One of the other main obstacles for the sustainability of MSEs is the limitations in accessing business financing to financial institutions (Mulyani, 2014). Two main factors that hinder MSEs from accessing business financing, namely: First, they do not have collateral/guarantees, and second, loan interest from financial institutions that are considered relatively high (Fatimah and Darna, 2011). Based on the ability to access finance to other institutions, MSEs can be grouped into two groups, namely MSEs that can access capital from banks (bankable) and MSEs that cannot access capital from banks (unbankable) (Fatimah and Darna, 2011). MSE groups that can access capital from banks have the qualifications, namely (1) having adequate formal legality tools; (2) tidier management; (3) adequate access to marketing; (4) the presentation

of financial information is acceptable following bank requirements; (5) access to information and knowledge of banking products is quite extensive; and (6) collateral meets bank requirements (Fatimah and Darna, 2011). Access to capital can help MSEs to be sustainable or increase business scale. Likewise, the limitations of MSEs in accessing finance can impact the sustainability and development of MSEs.

Human resources are one of the vital factors for the development of MSEs (Bouazza et al. 2015). According to Shafer et al. (2001), human resources' capacity determines the success of a business unit, especially in increasing productivity and maintaining the sustainability of the business unit for the long term. Human resource capacity can be determined from the number of employees, education level, and employee skills. Studies show that educated and skilled human resources have the capacity for learning and innovation (Batra and Tan, 2003). According to Hove and Tarisai (2013), the competence of business owners/managers of MSEs is the primary determinant of the sustainability or failure of MSEs. However, the management of other human resources in MSEs, such as employees, is equally essential for the success of MSEs, especially in managing relationships with other key actors such as suppliers and buyers in the supply chain, customers, banks, and investors (Hove and Tarisai, 2013). Good human resource management supports the success of MSEs, and vice versa, poor human resource management and reduces the effectiveness and efficiency of MSEs' performance (Bouazza et al. 2015).

According to Selden (1997), marketing in the perspective of the sales process is defined as a set of processes that connect and are interconnected with other business functions that aim to achieve customer interest and satisfaction. Using Selden's definition, marketing in the fisheries sector can be defined as a set of processes that connect business functions in providing fishery products from producers, both cultivated farmers, and fishers, to consumers. The development of marketing in the fisheries sector is also influenced by other external factors such as market infrastructure, ports, cost-efficient fish storage, and processing facilities that can support the development of fisheries MSEs (Markelova et al. 2009). The development of supply networks from producers and cultivated farmers with business actors in the distribution chain in the fisheries sector such as retailers, exporters, or the fish processing industry is also another essential aspect in supporting

the improvement of MSE marketing of the fisheries sector.

Apart from various internal factors, several external factors in the organisation can also affect the sustainability of MSEs (Zimmerer et al. 2008). According to Pearce, Robinson, and Subramanian (2000), external organizational factors consist of three interrelated environmental sub-categories, namely: (1) remote environment (social, economic, technological, political, and ecological); (2) Industrial environment, which consists of entry barriers, the strength of suppliers, power of buyers, availability of substitute products, and competition; and (3) the operating environment (competitors, creditors, customers, labor market and suppliers). Analysis of these various factors can help MSEs in developing strategies that support sustainability and achieve goals (Zimmerer et al. 2008). Positive external factors can help the company achieve its goals, while external factors that have a negative impact need to be addressed or managed in order to minimize the impact of challenges that hinder the organization from achieving its goals. In the analysis of external organizational factors, analysis of the supply chain in the related sector helps organizations identify external factors, especially from the operational environment and industrial environment in which the MSEs are engaged.

According to previous studies, it is still necessary to increase and strengthen captured fishery business in North Maluku (Talib, 2018). Small and medium enterprises in processing and marketing fishery products in North Maluku province also show low competitiveness and income levels (Talib, 2018). Another study on capture fishers in North Maluku shows that capture fisheries provide good business income. However, it is still necessary to increase the number of fishers and increase production capacity through capital assistance for investment because the initial costs to start a capture fisheries business are not small (Buton, 2020). Previous research on capture fisheries business actors in North Maluku has included fishery processing entrepreneurs (Talib, 2018), and fishers (Buton, 2020). However, previous research has not yet involved other fishery product business actors such as fish traders, both wholesalers or collectors, and small traders. Therefore, this study aims to look at the marketing strategies of MSEs consisting of fishers, large traders, small traders, and restaurant owners who are respondents in the current study.

The current study proposing two research questions: "What are the internal and external factors that affect the sustainability of fisheries MSEs in North Halmahera Regency?", and "What are the strategies for developing fisheries MSEs in North Halmahera Regency?" This study aims to achieve two objectives: first, identify internal and external factors that affect fisheries MSEs in North Halmahera Regency. Second, formulate the development of an appropriate strategy for developing fisheries MSEs in North Halmahera Regency.

METHODS

Data collection through interviews was carried out in September 2020 in three sub-districts in North Halmahera Regency, namely Tobelo District, North Tobelo District, and South Tobelo District. Interviews were conducted with 30 participants using the semi-structured interview method. The respondents consisted of fish traders (N = 19) and fishers (N = 11). Respondents consisted of 17 male respondents and 13 female respondents. Eighteen respondents have businesses that already have legal entity legality, while 12 other entrepreneurs have not. The length of time the respondent did business consisted of 0-5 years (N = 14), 6-10 years (N = 7), and more than ten years (N = 9). Data from interviews is used as a reference for a focus group discussion and conducting a SWOT analysis. The second stage of data collection is a Focus Group Discussion (FGD), with participants consisting of two traders and two fishers who were respondents in the former interview and four researchers.

This research used primary and secondary data from various sources. Secondary data was gathered through literature review and statistic data. The primary data was collected through semi-structured interviews and focus group discussions. The sample selection in the interview technique was carried out by using purposive sampling method where the respondents were selected based on several criteria previously determined, including: (1) the respondent is the owner of MSE in the fisheries supply chain consisting of fishers, collectors, and fish traders; (2) the location of MSEs is in three sub-districts in North Halmahera Regency, including Tobelo District, North Tobelo District and South Tobelo District; and (3) respondents are willing to be interviewed. Interviews aimed at identifying factors that pose challenges for MSEs in the fisheries supply chain. The second stage of the data collection

was through a Focus Group Discussion (FGD) with fish traders and fishers. The stages conducted in this research as depicted in Figure 1.

This research is exploratory research using qualitative methods. The current research used primary data, and secondary data gathered through different sources, including the literature, statistic data, interview, and focus group discussions (FGD). The analysis data through interview and FGD will be analysed using external factor analysis (EFAS), and internal factor analysis (IFAS) and the SWOT analysis tool. The analysis aims to identify the strengths, weaknesses, opportunities and threats of MSEs in the fisheries supply chain and formulate strategies for developing MSEs.

The application of SWOT was used to formulate an effective strategy (Chang and Huang, 2006). SWOT analysis was used in previous studies to map current business strategies and formulating future strategies (Ati et al. 2019; Suryani et al. 2015). SWOT analysis identifying external and internal factors that may hinder industry development (Asriani, 2015). Thus, the use of SWOT analysis in formulating a development strategy for fisheries business is deemed appropriate for this study. The use of quantitative SWOT analysis results in identifying a company or industry's position in four quadrants, which can be seen in Figure 2.

Data from interviews was then tabulated and classified based on respondents that are fish traders and fishers. According to the interview data, there are different challenges face by fish traders and fishers, including declining consumers, perishable products, fluctuating prices, and bad weather. However, data from interviews was limited in the way that it is limited in identifying external and internal factors and cannot be used to calculate the external and internal factors of MSEs in the fishery captures in North Maluku. Thus, the focus group discussion was conducted to identify further external and internal factors, including the strength, the weakness, the challenge and the opportunity face by fish traders and fishers in North Maluku. The FGD was conducted in two main sessions. At the first sessions of FGD, participants identified all the external and internal factors. At the second session, all internal and external factors were scored and calculated. The analysis then continued with a strategy formulation using SWOT analysis according to IFAS and EFAS results.

RESULTS

When data collection was carried out, North Halmahera District was still implementing social distancing due to the Covid-19 pandemic. This situation also influenced the answers of respondents who admitted that the pandemic situation reduced the number of buyers in the market, which had an impact on their businesses. Some of the constraints faced differing between sellers and fishers. For example, the main inhibiting factor in running a business for fishers is bad weather and then difficult communication when fishing with sellers, while for sellers and restaurant owner, the factor of buyers, perishable fish, and changing prices are some of the main factors in running a business. Various other factors become obstacles for MSEs, as presented in Table 2.

Data collection was then carried out with a Focus Group Discussion, which was held on October 15, 2020. The FGD activity lasted 120 minutes and was attended by four fishery sellers and fishers and four researchers. Thus the total participants of FGD were eight people. In the focus group, the discussion aimed to identify internal and external factors of MSEs in the fisheries supply chain. Then the analysis was continued with the calculation of the internal and external factors and the formulation of a strategy for developing MSEs. The summary of internal factors and the calculation of internal factors can be seen in Table 3.

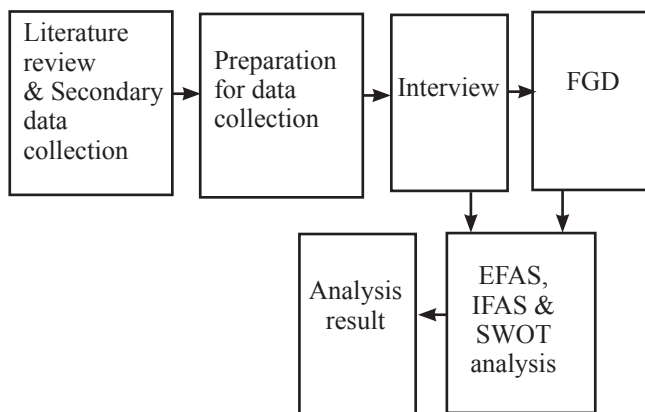


Figure 1. Research stages

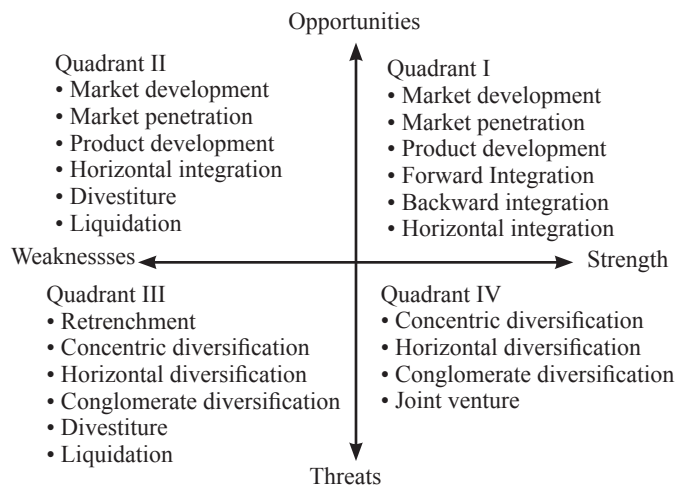


Figure 2. SWOT Quadrant (Christensen et al. (1976) in Chang & Huang (2006)

Table 2. Challenges face by MSE in the fisheries supply chain according to the interviews

Respondent	Factors	Frequency
Seller	Lack of buyers due to the pandemic situation	6
	Fish are perishable	6
	Fish prices can be fluctuate	4
	Difficult communication with wholesalers and fishermen	4
	Limited capital	4
	The amount of supply can change based on the season	3
	Lack of market infrastructure	3
	Does not have cold storage to preserve fish	2
Fishermen	Bad weather	4
	Difficult communication with other business actors such as large traders and small traders	4
	Purchases at land ports in bulk reduce profits	2

Table 2. Challenges face by MSE in the fisheries supply chain according to the interviews

Internal Factor Analysis	Weight	Rating	Score
Strengths			
The fish catch is abundant in good weather	0.04	5	0.22
There are regular buyers (customers) who can be relied on in buying the fish	0.04	4	0.18
Fresh fish is available daily	0.04	4	0.18
Before the pandemic, fish prices were stable/reasonable because fish were distributed to many sellers throughout the market	0.03	3	0.09
Fishers have the capital to run the business	0.03	3	0.09
There is a Fish Landing Place (port) as the fish landing and distribution point	0.03	3	0.09
The business is registered (can access/borrow capital from financial institutions)	0.03	2	0.06
The existence of supporting facilities for marketing (market)	0.03	2	0.06
There is a coordinator who coordinates the sale of fish in the market and even at restaurants	0.01	2	0.03
Years of business experience make business actors have skills, business knowledge and connections	0.01	2	0.03
Subtotal Strength			0.99
Weakness			
The government has not provided a cooling place for fish sellers to accommodate large amounts of fish	0.04	4	0.18
Traders' capital is limited in buying supplies, so that supply availability is sometimes limited	0.04	3	0.13
Fish sellers have minimal knowledge so that in managing the catch, the results do not increase	0.03	4	0.12
Ice usually bought from the fisheries department, and the fishermen bought it as the second party	0.04	2	0.09
Fishers already have a limited cooler/freezer that insufficient to accommodate large numbers of fish and cause the fish to rot	0.03	3	0.09
Fishery infrastructure is still lacking	0.04	2	0.09
The fish handling system in the sea is not sound (ice is scarce) cause the fish cannot be store for long	0.03	3	0.09
Fishers do not understand financial management well, so there is a need for socialization and training	0.03	3	0.09
Connection/communication with suppliers and buyers (suppliers/buyers sometimes difficult to contact) while fishing	0.04	2	0.09
Fish from suppliers are expensive in case of rainy and bumpy weather	0.03	3	0.09
Limited access to capital institutions (cooperatives for fishermen)	0.03	3	0.09
The lack of business actors who can buy fish from fishers or sellers for processing/medium / large scale industries	0.04	2	0.09
The absence of a supervisory function by local governments on MSMEs, so that market management does not run well	0.03	2	0.06
Limited market infrastructure (electricity and water jam)	0.03	2	0.06
Ice cubes are sold for Rp. 15.000/USD 1 per block (too expensive for fishers)	0.04	1	0.04
The landing of the catch is sometimes out of place, and fishing boats are landed in their respective villages resulting in the catch not being appropriately distributed to the market	0.01	3	0.04
Fish is easily rotted if not store well	0.04	1	0.04
Limited fuel on fishing boats means that the fishermen cannot be fishing or sailing in the far distance	0.04	1	0.04
Limited cold storage cause fish rots and is thrown away	0.04	1	0.04
Subtotal strength			1.47
Total Strength - Weakness	1.00		-0.49

Based on the results, it appears that natural resources, namely abundant fish and fresh fish catch every day, are the strongest factors with the highest score. Meanwhile, the three main factors that are constraints for business actors, namely the lack of supporting facilities for fish preservation, limited capital, and limited competence in processing fishery products, are the three weakness factors with the highest score. The total strength score is then subtracted from the total weakness score, and it is found that MSEs in the fisheries sector has a more significant weakness score than the strengths indicated by the score -0.49.

Analysis of external factors, namely opportunities and threats faced by MSEs in the fisheries sector, shows 15 factors consisting of 6 indicators of opportunity and nine indicators of threats. The analysis results show that the opportunity factor with the highest weight is the availability of abundant supply in nature and the high demand or consumption of fish in the community.

Business actors also face various threats, such as market relocation that are farther and affect sales, weather that sometimes impacts the availability of supply, and a pandemic situation that causes the number of buyers to decline. The total opportunity score is reduced by the total threat score and produces a total score of 0.58, which means that MSEs have more significant opportunities than threats. A summary of the external factors can be seen in Table 4.

This calculation can be used to formulate an effective strategy for developing MSEs in the fisheries sector in North Halmahera. Based on the table above, MSEs in the North Halmahera district's fisheries sector are in quadrant II, which can be seen in Figure 3. The position of quadrant II supports development strategies such as market development, market penetration, and product development, and if MSEs have adequate resources, they can do horizontal integration as depicted in Figure 3.

Table 4. External Factor Analysis Summary

External Factor Analysis	Weight	Rating	Score
Opportunities			
Abundant catches to be sold	0.079	5	0.39
In the future, there is a system to accommodate the catch	0.053	4	0.21
There are regular buyers (customers) who can be relied on to buy the fishermen's catch	0.079	4	0.32
The catch can be processed into ready-to-sell products for consumption, thereby increasing fishermen's income	0.079	3	0.24
The product (fish) is a high demand product or needed by the community every day	0.079	5	0.39
Subtotal opportunity			1.55
Threats			
Limited cold storage and ice cause the fish to rot, and buyers who accidentally buy fish experiencing allergies	0.079	1	0.08
Consumers have experienced fish poisoning due to consuming fish that is not fresh	0.026	4	0.11
If the catch is abundant, the price of fish will decrease	0.079	1	0.08
Bad weather conditions have an impact on fishermen's health	0.026	4	0.11
There are business actors who do not continue their business because of unstable fish prices	0.053	2	0.11
The pandemic has decreased the price of fish due to the uneven distribution of fish to sellers	0.079	2	0.16
Decreased number of buyers make fish rot and wasted	0.079	1	0.08
The government's policy to build a new market affects the price of fish	0.053	2	0.11
The relocation of markets reduce profit makes fishers unable to provide for their families	0.079	2	0.16
Total Threats	0.97		
Total Opportunity - Threat	0.58		

The development strategy is then formulated by analyzing the four factors by linking external factors and internal factors (Table 5). Four groups of strategies are found: the strength-opportunity strategy, the strength-threat strategy, and the weakness-opportunity and the weakness-threat strategy. Each strategy is formulated by developing solutions related to internal factors to certain external factors. For example, the part in parentheses 'S6-02' means the strategy was developed by linking point number 2 of strength (Table 3), with point number 2 of Opportunity (Table 4).

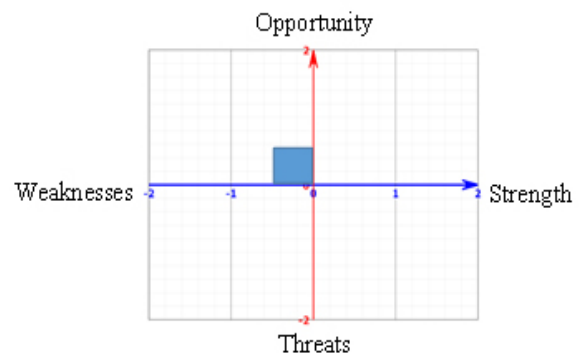


Figure 3. SWOT Quadrant

Table 5. Strategy formulation based on strength, weakness, opportunity and threat analysis

SO Strategy	ST Strategy	WO Strategy	WT Strategy
Improve the function of fish landing sites to facilitate the distribution of fishermen's catch. (S6-O2)	Increasing fishermen's resources through coaching, training, and apprenticeships in order to improve skills, mastery of technology and finance. (S5 & S10-T5)	Increasing the welfare of the community (business actors) and accelerating selective and gradual market economic growth. (W5, W12, W14 & W18-O1,O2,O3,O4 & O5)	Developing fish landing sites as a center of economic growth. (W16-T8 & T9)
Optimizing business in fishing and maximizing the development of fishery infrastructure. (S8, S1-O5)	Improvement of business supporting facilities and infrastructure (S1 & S2 –T1, T2&T7)	Increased government supervision of fishery businesses. (W1, W3, W4, W13-O1, O2, O3, O4 & O5)	Increased guidance and counseling for fishing communities. (W13-T9)
Increase the independence of fishers through support for fishing facilities and training for fishers to process their catch into fishery products. (S5-O4 & O6)	Build a marketing network in order to get closer to the market with production sources. (S4, S9,S10-T6,T&T1)	Build fishery facilities and infrastructure to support business continuity. (W6, W16, W17 & W19-O1, O2, O4 & O5)	Accelerating the development of facilities and infrastructure to support the sustainability of the fisheries business. (W1, W4, W5, W6 & W14-T8 & T9)
Improve communication between suppliers and buyers so that fish can be sold. (S9 & S10-O3)	Increase social and economic facilities (S7, S10-T1 & T7)		
Preserving fish freshness by providing cold storage at fish landing centers/centres (S3-O1)	Provide ice at low prices or expand the cold box and freezer for fishers. (S1, S3 & S8-T1, T2 & T7)		
Increase the marketing of catches to various places in North Halmahera. (S2-O3)	Strengthening the supervisory function for fishery businesses. (S9-T6) The government needs to strengthen market management policies. (S8-T8)		

Managerial Implications

The strategy formulation above produces 19 strategy items, which then grouped into five main categories based on the form of the strategy, namely: 1) Development of infrastructure that supports capture fisheries products, 2) capacity building of capture fisheries business actors, 3) strengthening financial resources of business actors in fisheries, 4) improving communication between fishery business actors, and 5) increasing the marketing of fishery products. In carrying out the development strategy, various cooperation is required, namely the Regional Government as a policymaker, infrastructure builder, and supervisor. Support from academics is also needed for strengthening the knowledge and skills of finance, human resources, and fisheries processing to improve product competitiveness. Integrated communication between various business actors, including fishers, large traders, small traders, and other business actors, still needed to minimize inefficiency in marketing channels.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The results of SWOT Analysis shows the position of MSEs of capture fisheries is in quadrant II. This position supports development strategies such as market development, market penetration, product development, and if MSEs have adequate resources, they can do horizontal integration by improving product value through processing the products or exporting. This study's findings confirm the result of prior studies that barriers of growth for fishers and fish traders, including scarce capital, and limited knowledge, skill, and capacity of fish processing (Buton, 2020). This study makes two contributions to the capture fisheries study in North Halmahera. First, this study's results provide empirical evidence of the internal and external factors of MSE in fishery industry in North Halmahera Regency, particularly fish trader and fishers in North Halmahera that are limited in the investigation literature. Second, this study's results provide a business development strategy for the fishery industry in North Halmahera Regency to be input to various parties.

Recommendations

This study extends the knowledge of MSE in the fishery industry, especially fish traders and fishers in North Halmahera, North Maluku. Thus, this study can be a reference for regional governments as policymakers in navigating the development of capture fisheries business through relevant policies. For academics, this study's results can be a reference in formulating community service activities, especially for fishery product business actors. Based on the results of the analysis, the strategies of a fishery capture development needed in North Halmahera Regency according to the importance of the strategy the order suggested are: 1) Development of infrastructure that supports capture fisheries products, 2) capacity building of capture fisheries business actors, 3) strengthening financial resources of fishery product business actors, 4) improving communication among fishery product business actors, and 5) increasing marketing of fishery products.

ACKNOWLEDGMENTS

We would like to acknowledge The Government of North Halmahera, Hein Namotemo University, entrepreneurs, and fishers who have supported and participated in the research.

REFERENCES

- Asriani A. 2015. The development strategies of Cashew industry in Kendari City, Southeast Sulawesi. *Indonesian Journal of Business and Entrepreneurship* 1(3):158.
- Ati L, Baga LM, Satria A. 2019. Business Model Canvas Non Government Organization (NGO)(Case Study: Rimbawan Muda Indonesia). *Indonesian Journal of Business and Entrepreneurship* 5(1):32-32.
- Badan Pusat Statistik Kabupaten Halmahera Utara. 2020. Kabupaten Halmahera Utara dalam Angka. <https://halutkab.bps.go.id/publikasi.html>. [2 Aug 2019].
- Batra G, Tan H. 2003. SME technical efficiency and its correlates: Cross-national evidence and policy implications. World Bank Institute Working Paper, 9.
- Bouazza AB, Ardjouman D, Abada O. 2015. Establishing the factors affecting the growth of

- small and medium-sized enterprises in Algeria. *American International Journal of Social science* 4(2): 101-115.
- Buton H, Manoppo VE, Tambani GO. 2020. Kajian sosial ekonomi usaha perikanan tangkap bagan di desa Parigi kecamatan Taliabu Timur Kabupaten Pulau Taliabu provinsi Maluku Utara. *AKULTURASI: Jurnal Ilmiah Agrobisnis Perikanan* 7(2): 1289-1298
- Chang HH, Huang WC. 2006. Application of a quantification SWOT analytical method. *Mathematical and Computer Modelling* 43(1-2):158-169.
- Christensen CR, Berg NA, Salter MS. 1976. *Policy Formulation and Administration*, 7th ed: A casebook of senior management problems in business. McGraw-Hill/Irwin.
- Fatimah F, Darna D. 2011. Peranan Koperasi dalam Mendukung Permodalan Usaha Kecil dan Mikro (UKM). *Jurnal Ekonomi and Bisnis* 10(2):13428.
- Hardilawati, Wan Laura. 2020. The Survival Strategy Of SMEs During The Covid-19 Pandemic. *Jurnal Akuntansi and Ekonomika* 10(1).
- Hove P, Tarisai C. 2013. Internal factors affecting the successful growth and survival of small and micro agri-business firms in Alice communal area. *Journal of Economics* 4(1): 57-67.
- MalutPost.2019.MemperkuatUMKMmenyejahterakan Maluku Utara. Ternate. <http://news.malutpost.co.id/index.php/read/2018/09/14/13/6631/memperkuat-umkm-menyejahterakan-maluku-utara>. [2 Aug 2019].
- Markelova H et al. 2009. Collective action for smallholder market access. *Food policy* 34(1):1-7.
- McManus S et al. 2007. Resilience management: a framework for assessing and improving the resilience of organisations. University of Canterbury.
- Mulyani S. 2014. Faktor-faktor yang mempengaruhi kualitas laporan keuangan pada umkm di kabupaten kodus. *Jurnal Dinamika Ekonomi and Bisnis* 11(2).
- Pearce JA, Robinson RB, Subramanian R. 2000. *Strategic management: Formulation, implementation, and control*. Columbus: Irwin/McGraw-Hill.
- Radzi KM, Nor MNM, Ali SM. 2017. The impact of internal factors on small business success: A case of small enterprises under the FELDA scheme. *Asian Academy of Management Journal* 22(1): 27.
- Sarfiah et al. 2019. UMKM Sebagai Pilar Membangun Ekonomi Bangsa. *Jurnal REP (Riset Ekonomi Pembangunan)* 4(2).
- Selden, P. H. 1997. *Sales Process Engineering. Paper presented at the Personal Workshop*. Milwaukee: ASQ Quality Press.
- Shafer RA et al. 2001. Crafting a human resource strategy to foster organisational agility: A case study. *Human Resource Management* 40(3): 197-211.
- Suryani IE, Anggraeni L, Suryadi U. 2015. Strategy Formulation for Developing Batik Tulis. *Indonesian Journal of Business and Entrepreneurship* 1(1): 23.
- Talib A. 2018. Peluang dan tantangan industri teknologi pengolahan hasil perikanan dalam mendukung terwujudnya lumbung ikan nasional (LIN) di Maluku Utara. *Agrikan: Jurnal Agribisnis Perikanan* 11(1): 19-27.
- Zimmerer TW, Scarborough NM, Wilson D. 2008. *Entrepreneurship and small business management*. Jakarta: Salemba Empat.