

Pro Grow Business Partnerships: Unlocking the Potential of SMEs Indonesia With Resource Advantage Theory of Competition Approach

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Abstract : To develop the growth of small and medium enterprises (SMEs), it is important to unlock potential resources that can improve their performance. Business Partnerships (BP) are currently an interesting topic of strategy to use to expand markets and maximize financial and marketing performance. However, many business partnerships have not quite a role among small and medium companies in the creative industry in the Batik Craft sector in Indonesia. This study is rooted in the Resource Advantage Theory of Competition (RAToC), which emphasizes that the advantage of company resources can be sourced from organizational and relational resources. With the basis of this theory, SMEs can optimize the allocation of relational resources and organizational goals, improve operational efficiency, and gain a strategic advantage in the market. Companies that are able to actualize organizational and relational resources better than other market players can be used for the process of increasing their superior performance. This study explores key elements from the RAToC perspective and shows how Business Partnerships have the potential to drive SMEs' growth. By aligning visions, and organizational resources, sharing knowledge and leveraging complementary relational resources, SMEs can increase their competitiveness, enter new markets, and achieve superior performance. The theoretical contribution of RAToC in small companies is due to the role of Pro-Grow Business Partnership strength as an important antecedent for improving SMEs' performance. The benefits (scenarios) of a Business Partnership to grow together are directed at optimizing resources that can create additional value for customers so that they can outperform competitors. Furthermore, managerial implications for SMEs who wish to unlock their resource potential can encourage the role of Pro-Grow Business Partnerships, which have specific characteristics, can absorb experience/knowledge capacity and utilize this knowledge for the development of "together" business ventures.

Keywords : pro grow business partnership, performance, SMEs, resources advantage theory of competition, industry kreatif batik handycraft indonesia

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