



# Analysis Of The Application Of Resource-Based View Theory To Develop An Agile Strategy (Case Study At ABC SME)

Elza Roselin Hutapea <sup>1)</sup>; Hilda Rossieta <sup>2)</sup>

<sup>1,2)</sup> Universitas Indonesia

Email: <sup>1)</sup> [elzaroselin@gmail.com](mailto:elzaroselin@gmail.com) ; <sup>2)</sup> [hilda.rosieta@office.ui.ac.id](mailto:hilda.rosieta@office.ui.ac.id)

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## ABSTRACT

This study aims to analyze the application of Resource-Based View (RBV) in building agile strategies in MSMEs to face the challenges of the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) era. The study was conducted on MSME ABC, a convection business that transformed from a B2B model to a combination of B2B and B2C in response to the dynamics of the business environment. A qualitative approach was used through a case study, with data collected through observation, in-depth interviews, analysis of customer reviews on e-commerce, and distribution of questionnaires to management and employees. The analysis was conducted with the RBV framework using the VRIO (Valuable, Rare, Inimitable, Organized) approach and the Agile Wheels concept (Gunasekaran, 2001). Of the 20 resources and capabilities of MSME ABC, five provide sustainable competitive advantages, while the rest are temporary. Key challenges include supply chain disruptions, technological limitations, lack of innovation, weak customer understanding, and low financial management capacity. The study recommends an agile strategy through strengthening adaptive internal processes, increasing external linkages with customers and suppliers, and developing human resource capabilities. These findings provide theoretical contributions to strengthening resource-based strategies and practical benefits for increasing the competitiveness of MSMEs amidst market uncertainty.

## INTRODUCTION

In recent years, the world has faced significant challenges, described by the concept of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity). VUCA reflects increasingly uncertain global conditions, which have impacted the Indonesian economy. According to Nowacka and Rzemieniak (2022), volatility occurs when established patterns or habits are changed or disrupted, with factors such as global competition, digitalization, and innovation influencing this

situation. Uncertainty is related to uncertainty and a lack of control over what will happen in the near future. Meanwhile, complexity arises when various volatile changes occur, making it difficult to understand the relationships between various components without a clear cause-and-effect relationship. Finally, ambiguity is a condition in which there are many possible options to address a situation. From an economic and business perspective, this VUCA condition can be a threat, but it also opens up opportunities to adjust strategies or make necessary changes. This rapid and unpredictable economic change poses challenges for various industrial sectors that play a vital role in the country's economy. (Nowacka & Rzemieniak, 2022) Senior economist Halim Alamsyah, in an interview with CNBC Indonesia (2025), explained that the uncertainty currently plaguing the Indonesian economy is caused by two main factors. First, technological disruption and the emergence of Artificial Intelligence (AI). On the one hand, AI generates a wealth of information, enabling the world to become more globally connected (globalization). However, the increasing number of analyses has actually led to diverse views, which in turn can lead to fragmented opinions.

This leaves the general public confused and unable to distinguish between accurate information. This situation also impacts the financial sector, which is changing rapidly. Second, is the penetration of Chinese power. Developed countries are now adopting an increasingly protective stance, as seen in the bold policies implemented by US President Donald Trump. Business professor Peter Navarro, in his book, *The Coming China Wars* (2006), warned that China, if not dealt with wisely, could pose a major threat to America and the world. In Indonesia, Chinese-made products, such as cell phones, wallets, clothing, children's toys, and others, are increasingly dominating the market. (Indonesia, (Part 1) *The World is Getting More Chaotic! The US-China Trade War Could Shake the Indonesian Economy*, 2025) As reported by CNBC Indonesia (2025), US President Donald Trump is targeting Indonesia with his new tariff policy. Maybank data shows that there are at least fifteen (15) subsectors most vulnerable due to the large percentage of exports to the US, including decorative feathers and artificial flowers (71.79%), clothing and accessories (61.39%), furniture (59.06%), and others, as seen in Table 1.1: 10 Indonesian Subsectors Most Vulnerable to US Retaliatory Tariffs. (Tirta, 2025) Referring to CNBC Indonesia (2025), the President of the Republic of Indonesia recently proposed eliminating the import quota system as part of national trade policy reform efforts. (Rizky, 2025). Referring to Merdeka.com, the President also instructed a review of the Domestic Component Level (TKDN) policy and considered replacing it with incentives as an alternative strategy to strengthen the domestic industry. (Firdaus, 2025) If these two policies are implemented, it is estimated that they will have a significant impact on local industry, especially the Micro, Small, and Medium Enterprises (MSMEs) sector.

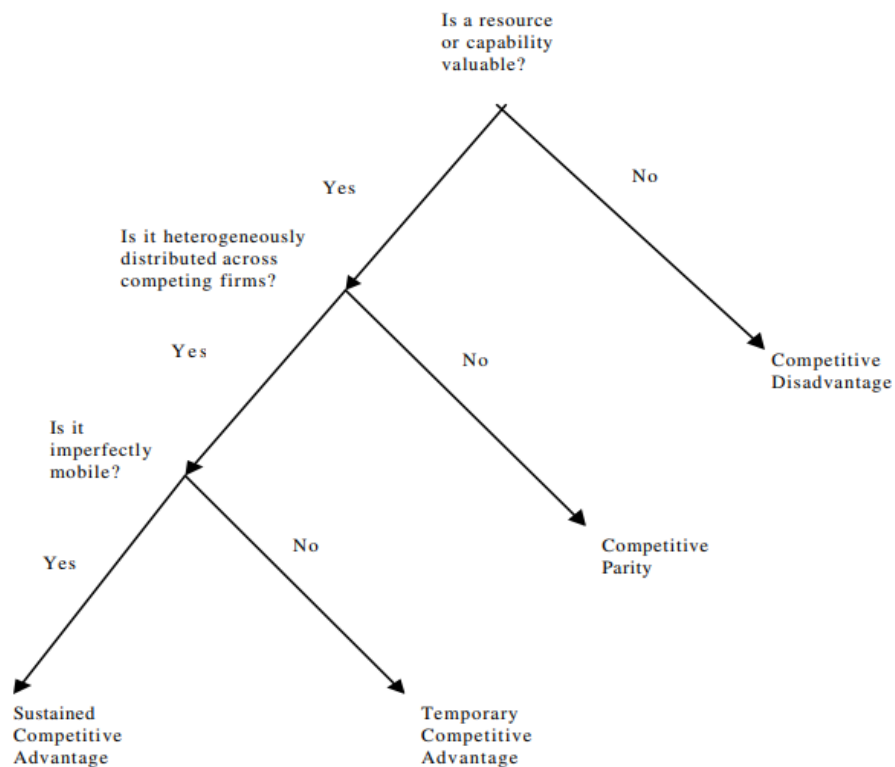
According to Kompas, the wrong policy step will not save the domestic industry, but instead, accelerate deindustrialization because domestic players are pressured by imported products and may also switch to importing because it is considered more profitable. (Editorial Team, 2025). Linkumkm stated that the plan to eliminate import quotas is considered to risk weakening MSMEs/local products. It is feared that there will be a flood of foreign products that are difficult for domestic producers to compete with. (ALP/NS, 2025) The government needs to pay special attention to the industrial and MSME sectors, considering that data from the Ministry of MSMEs (Ministry of MSMEs, 2025) shows that MSMEs contribute 60.5% to national GDP and absorb 99.62% of the workforce from micro-enterprises and 0.30% from small businesses. Thus, MSMEs play a significant role in absorbing the national workforce, reaching a total of 99.92%. Several presidential policies are also directed at supporting MSMEs, including the establishment of the Ministry of MSMEs, which was previously part of the Ministry of Cooperatives and MSMEs, demonstrating the government's commitment to advancing the MSME sector and supporting economic transformation. In February 2020, when Covid-19 first entered Indonesia, ABC MSME temporarily halted operations due to the lockdown in Jakarta. For nearly two years, ABC MSME was unable to operate, and the business experienced a significant decline in revenue. The owner

was even forced to sell business assets. This risk posed an unavoidable challenge for the business, especially since the main raw material sales outlet in Tanah Abang was closed and the government banned operations. The owner also attempted to start a business outside Jakarta, specifically in Serang, Banten.

However, this venture suffered losses due to the owner's carelessness in selecting business partners. As a result, the business in Serang failed, and the owner had to try again in Jakarta. One of the main challenges facing ABC MSME's business strategy was a weak supply chain. In mid-2023, the owner of ABC MSME considered closing the business due to significant losses, both material and non-material. The owner felt that continuing the business would only increase the financial losses. However, in June 2023, the owner finally decided to shift market positioning by starting online sales of business products, such as outdoor clothing, pants, jackets, towels, sleeping bags, hammocks, and others, by establishing its own brand, Atmosfer. Interestingly, Atmosfer products were in high demand, and the ABC MSME's turnover increased thanks to sales of these products, thus saving its business. Currently, the Atmosfer brand is sold on various e-commerce platforms such as Shopee, Tokopedia, Lazada, and TikTok. According to Holbeche (2018), agility refers to an organization's ability to quickly respond, adapt, and thrive in an environment full of uncertainty and rapid change. Holbeche emphasized that for companies seeking to survive and grow, speed and innovation are crucial. Therefore, the demand for agility is increasing across various business sectors (2018). To identify competitive advantages, companies can apply the Resource-Based View theory, first introduced by Birger Wernerfelt in 1984 through his paper entitled "A Resource-Based View of the Firm." In his theory, Wernerfelt stated that to achieve competitive advantage, an entity must possess valuable, rare, difficult-to-imitate, and non-substitutable internal resources. Furthermore, companies also need capabilities in technology, design, procurement, production, distribution, and service to achieve competitive advantage. (Wernerfelt, 1984).

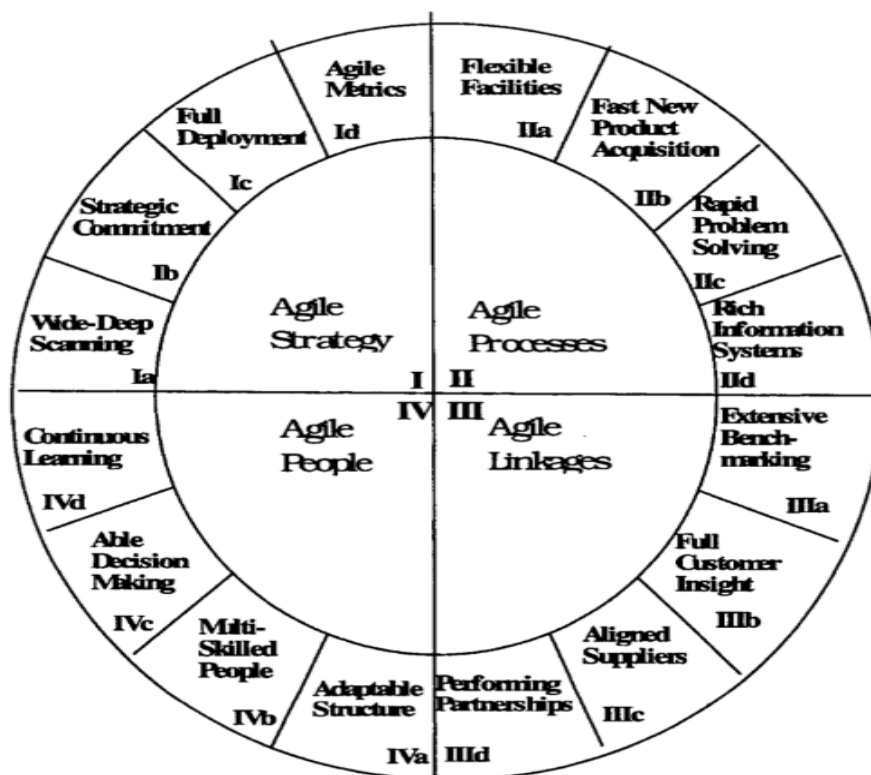
**LITERATURE REVIEW**

**Figure 1. Identification of Resources and Capabilities**



Based on Figure 1, Identification of Resources and Capabilities, the first step is to question whether the resources and capabilities are valuable. If not, then they will be classified as a competitive disadvantage. Next, it is necessary to question whether the resources and capabilities are heterogeneously distributed among competing firms. If not, then they will be considered competitive parity. Finally, it is necessary to examine whether their mobility is perfect. If not, then the resources and capabilities provide a competitive advantage but are temporary. If these three questions are met, then the company has a sustainable competitive advantage (Madhani, 2010). According to Dr. Barney (Barney J., Firm Resources and Sustained Competitive Advantage, 1991) there are three categories of resources and capabilities, namely: physical capital resources (including physical, technological, plant, and equipment), human capital resources (such as training, experience, and insight), and organizational capital resources (such as formal structure). A useful approach to classifying these resources is to divide them into two categories: tangible resources and intangible resources.

**Figure 2. Agile Wheels**



## METHODS

The following instruments were used in this research:

1. Conducting direct observations at MSMEs to obtain information about the company's condition.
2. Conducting interviews with key informants, namely the owners who are authorized to determine the company's goals, core values, and boundaries.
3. Administering questionnaires to employees to determine whether the business entity's objectives have been understood and implemented by them.
4. Conducting content analysis of reviews available on the MSME Brand e-commerce platform to gain insight into customer perspectives using the NVIVO 15 application.

## RESULTS

The interview was conducted with Resource Person 1, the owner of UMKM ABC, hereinafter coded N1. The interview process was conducted twice. The author does not attach the interview transcript in the Appendix because it reaches 32 pages. However, the author can provide it upon request. The following table contains information regarding the interview and its duration.

**Table 1 Interview with Resource Person 1**

No.	Date	Source person	Topics	Time	Duration
1.	04/24/2025	N1	VRIO Definition	18.05-18.20	15 minutes
		N1	Valuable	18.45-19.06	21 minutes
		N1	Rare	19.20-19.32	10 minutes
		N1	In-Imitability	19.45-19.56	11 minutes
		N1	Organized	20.04-20.16	12 minutes
2.	05/20/2025	N1	Agile Wheels	20.16-20.38	22 minutes

Source: UMKM ABC (2025)

## VRIO Analysis Results

**Table 2 VRIO Analysis**

RBV Classification	Identifying Business Entity Resources and Capabilities	VRIO				Total	Explanation
		V	R	I	O		
Tangible Resources	Machinery and Equipment (N1,V1), (N1,O3)	1	0	0	1	2	Temporary competitive advantage
	Information Technology (N1,V3), (N1,O1)	1	0	0	2	2	Temporary competitive advantage
	Source of Funding (N1,V6), (N1,O5)	1	0	0	1	2	Temporary competitive advantage
	Product Variety Diversification (N1,V5), (N1,O2)	1	0	0	1	2	Temporary competitive advantage
Intangible Resources	HR Skills (N1,V1), (N1,R2), (N1,I1), (N1,O1)	1	1	1	1	4	Sustainable competitive advantage
	HR Loyalty (N1,V1), (N1,R2), (N1,I1), (N1,O1)	1				4	Sustainable competitive advantage
	Product Price according to Product Quality (N1,V2), (N1,O3)					2	Temporary competitive advantage
	Trademark (N1,V3), (N1,R3),	1	1	1	1	4	Sustainable competitive

RBV Classification	Identifying Business Entity Resources and Capabilities	VRIO				Total	Explanation
		V	R	I	O		
	(N1,I4), (N1,O2)						advantage
	Trust in Brand (N1,V2), (N1,R3), (N1,I6), (N1,O2)	1	1	1	1	4	Sustainable competitive advantage
	Marketing (promotion) (N1,V2), (N1,O2)	1	0	0	1	2	Temporary competitive advantage
	Distribution Network (N1,V7), (N1,O7)	1	0	0	1	2	Temporary competitive advantage
	Customer Service (N1,V2), (N1,O4)	1	0	0	1	2	Temporary competitive advantage
Organizational Skills	Financial management skills (N1,V1), (N1,O5)	1	0	0	1	2	Temporary competitive advantage
	Product quality control capability (N1,V4), (N1,O2)	1	0	0	1	2	Temporary competitive advantage
	Workforce retention capability (N1,V1), (N1,O6)	1	0	0	1	2	Temporary competitive advantage
	Ability to build strong teamwork (N1,V1), (N1,R4), (N1,I1), (N1,O6)	1	1	1	1	4	Sustainable competitive advantage
	Ability to improve the quality of the workforce (N1,V1), (N1,O6)	1	0	0	1	2	Temporary competitive advantage
	Product research and development (innovation) capacity (N1,V5), (N1,O2)	1	0	0	1	2	Temporary competitive advantage
	Ability to have positive relationships with partners (N1,V7), (N1,O7)	1	0	0	1	2	Temporary competitive advantage
	Ability to adapt to trends (N1,V4), (N1,O7)	1	0	0	1	2	Temporary competitive advantage

Source: UMKM ABC

**Table 3 Middle Management and Employee Questionnaire Analysis**

Dimensions	Average Results	Information
Agile Strategy	3.56	Relatively strong
Agile Processes	3.45	Relatively strong
Agile Linkages	3.80	Relatively strong
Agile People	3.06	Neutral

Source: UMKM ABC

**DISCUSSION**

From the results of the analysis using RBV Theory, Content Analysis and Questionnaires given to *middle management* and employees, the challenges or obstacles currently faced by ABC MSMEs include:

**Table 4 Challenges of ABC MSMEs**

Analysis Results	Challenge
RBV Theory	ABC MSME must improve its resource capabilities that are still at the temporary competitive advantage level because these resources and capabilities have the potential to strengthen ABC MSME's business strategy so that it can provide a sustainable competitive advantage . Such as innovating by increasing product variety and utilizing digital media for promotion.
Buyer Review Content Analysis	Based on the content analysis, several customers who gave 1, 2, and 3-star ratings stated that the product images did not match the items they received, particularly regarding color differences, even within the same product type. The challenge for SME ABC is how to present informative, honest, and non-misleading product descriptions, especially for products with multiple color variations.
Middle Management and Worker Questionnaire	From the results of the employee questionnaire, the challenge for ABC MSME is to improve employee abilities or skills so that they can support sustainable business development.

Source: Author

**Table 5 Obstacles for ABC MSMEs**

Analysis Results	Obstacle
RBV Theory	Limited access to capital due to the difficulty of obtaining loans from banks due to lack of collateral or limited access to investors and government financing programs.
	The trademark is still under substantive examination at HAKI. Submitted 3 (three) categories for the Atmosphere brand, 1 (one) category was rejected and is still in the process of re-submission.
	Personal and business finances are still mixed, with a lack of neat and structured financial records.

Buyer Review Content Analysis	Some customer reviews give 1 or 2 stars without providing a reason. These reviews can negatively impact a store's reputation on e-commerce platforms, potentially influencing other buyers. There's concern that there may be <i>buzzers</i> attempting to lower the store's rating.
Middle Management and Worker Questionnaire	ABC UMKM still does not have a clear work culture, vision and mission and SOP.

Source: Author

Based on the interviews conducted, the ABC UMKM strategy has not yet fulfilled the *agile strategy* as a whole. Based on *the agile wheels*, which consist of 4 (four) dimensions according to Gunasekaran, namely *agile strategy*, *agile processes*, *agile linkages*, and *agile people*. This shows that there is an opportunity to develop the ABC MSME strategy to be more agile and can provide improvements in operations and overall strategy.

Starting with *Agile Strategy*, learning and evaluating the latest technology or work processes is still not done routinely. In addition, ABC MSME still does not pay attention to changes in the market and competitors' business activities. ABC MSME does not have a medium or long-term plan to face changing market needs and business challenges. The resource person said this is due to the limited capital owned by ABC MSME. In addition, there are no decisions taken in developing production processes that can make the business more flexible and adapt to change. However, the person responsible for production at ABC MSME, namely the head of production, has committed to implementing flexible and fast working methods. However, the person responsible for production has not seen many changes in the market. All team members in the business have been quite responsive when needed to change from the production section to the online administration section. The resource person stated that the MSME already has clear targets or goals in production volume, processing time and customer satisfaction that must be achieved. The owner also routinely monitors production processing time, the amount of materials used or work results. However, recording or measuring business performance such as production speed, material usage or work results is still not available.

Second, *agile processes*, production facilities such as machines, equipment, and systems that are flexible and easily adapted to handle various types of production work. MSME ABC has not yet adopted new technologies that can support adaptability and response in the work environment. MSME ABC also does not have the ability to develop and improve new products faster than competitors. If there is a problem in the workplace, usually the resolution can be done quickly, a maximum of 1 (one) day. Then, the information system used cannot monitor the status of processes and workflows in *real time*.

Third, *agile linkages*. UMKM ABC has benchmarked or compared several of its product items with competitors. The main production staff has no direct contact with customers, except through online shops and marketplaces. All production staff already know exactly what customers want. UMKM ABC's raw material suppliers We already know the quality standards desired by ABC MSMEs when they need them. Meanwhile, strong partnerships with other companies and organizations that can provide support, opportunities, and additional capabilities are still lacking.

Fourth, *agile people*. MSME ABC already has a production manager who is agile and quick in organizing production processes. In terms of competency, the staff lacks broad and flexible competencies in production functions, thus requiring significant development. In terms of decision-making, the owner consistently implements quick but cautious decision-making. Furthermore, each person, both individually and within the team, has not actively engaged in continuous skill development.

The results of interviews with MSME owners were analyzed to determine which of the 4 (four) dimensions on Gunasekaran's *agile wheels* were the main needs and priorities in helping MSME ABC align its strategy with rapidly changing market dynamics and utilize resources effectively.

A key principle of *agile strategy* is increasing awareness of external signals that require a response, by emphasizing mechanisms for monitoring the external environment (Gunasekaran, 2001). In the interview, the informant stated that MSMEs do not routinely study and evaluate the latest technology and work processes. However, in an interview related to RBV Theory, the informant stated that MSME ABC already has digital platforms on Shopee, Tokopedia, TikTok, and Lazada.

"... Actually, we have several marketplaces, even like Shopee, we have 2, Tokopedia 1, then Lazada, Tiktok..." (Source 1, 2025)

However, in observing market changes and competitors' business activities, the informant stated that MSMEs do not routinely carry out this process. According to McKinsey & Company, companies that use *customer analytics* to inform their decision-making processes tend to generate higher profits. Social media also provides analytical tools that help businesses understand market trends and consumer behavior (Erwin, Ludin, Ramadhaniyanti, & Napis, 2023). Currently, MSME ABC has implemented a *marketing strategy* on TikTok and Shopee by conducting *live selling*. Regarding the scale of its business, according to the researcher, MSME ABC currently has sufficient digital marketing through Instagram, Facebook, and TikTok. However, there are suggestions to help MSMEs be more responsive to the market and compete better, namely by using Google Trends and Google Analytics.

The use of Google Trends for macroeconomic indicator forecasting has shown promising results in improving the accuracy of economic forecasts. This tool provides high-frequency data with a short publication lag (up-to-date), making it a valuable resource for decision-makers seeking up-to-date information on the national economy (Stephanie, Bortoli, & Clement, 2016). Furthermore, tools like Google Analytics provide the data necessary to evaluate campaign (promotion) effectiveness and make data-driven decisions (Erwin, et al., 2024). Using this analytical tool can help ABC's MSME (Micro, Small, and Medium Enterprise) understand consumer behavior and monitor competitors' activities.

ABC SMEs implement a focused cost *leadership strategy* by targeting a specific market (*niche market*), namely consumers of outdoor fashion products who prioritize affordable prices but still want quality. This strategy allows SMEs to compete effectively in certain market segments without having to face direct competition with large producers. If the business strategy is clear, *the performance goals and measures stage can be carried out*, then the *action stage* or decisions taken in developing the production process to make the business more flexible and adaptable, rather than becoming more rigid. The *actions* that can be taken by ABC SMEs according to Gamble (Arthur A. Thompson, Peteraf, Gamble, & Strickland, 2022) are: Steps to capitalize on growing market opportunities and protect the company from external threats to its business prospects. MSME ABC can develop innovative products such as hijabs for sports activities, such as running or padel. This product maintains Islamic values but uses breathable *and* comfortable materials for exercise. Steps to strengthen company culture, motivate employees, and create a more productive work environment. MSME ABC can regularly hold short morning briefings to convey daily targets and encourage the production and administration teams to foster *a sense of belonging* among employees. Furthermore, it can provide monthly performance awards such as "The Most Disciplined Employee Who Wakes Up Early" or small bonuses for the most productive employees. Furthermore, it can conduct training and improve employee skills. Steps to increase competitiveness through strategic alliances, collaborative partnerships, mergers, or acquisitions. MSME ABC can collaborate with *micro-influencers* to become brand ambassadors.

In full implementation, it is expected that the strategy can be communicated and understood in depth throughout the organization so that UMKM ABC can implement the strategy quickly and align the strategy with resources effectively. The resource person stated that all team members at UMKM ABC, including the production and administration departments, have strived to implement agile working methods, such as being quick to adapt, responsive to change, and open to process improvements. UMKM ABC's uncomplicated organizational structure allows the implementation of the strategy to be more agile in adapting and open to process improvements.

By utilizing an integrated system, ABC MSMEs will be able to produce automatic sales reports, more professional invoices, easier integration with taxes (VAT, PPh, e-invoices), a *user-friendly system* and can be connected to *e-commerce* (Shopee, Tokopedia, Tiktok Shop).

Agility refers to the ability to quickly configure and reorganize to adapt to changing environmental conditions (Gunasekaran, 2001). MSME ABC's production facilities, such as machinery, equipment, and operating systems, are flexible and adaptable to handle various production activities. Suggestions for MSME ABC include: Implement 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) to maintain cleanliness and order in the workplace. Prepare SOP ( *Standard Operating Procedure*) for all production processes. Arrange the work desk layout to reduce *waste* .

ABC MSME has not been able to develop or improve new products faster than competitors. In an *agile organization* , the focus is not only on developing new products internally, but also on the ability to identify relevant new products developed externally and acquire them according to the organization's needs (Gunasekaran, 2001). The resource person said that ABC MSME is currently still using the ATM system or Observe, Copy and Modify. ABC MSME usually observes trends that have been successful in the market, especially in *e-commerce* and *social media*. Then adopt the basic idea and modify the copied idea to make it more unique and in accordance with the character of its own business and ABC MSME's target market. The suggestion for ABC MSME is to build an R&D team that acts as a *trend watcher* that can monitor weekly trends from e-commerce, social media and competitors. ABC MSME can involve the Head of Production and employees (online admins) to assist in this R&D Team. For *the tools* used, *Google Trends can be utilized* .

In situations full of uncertainty and change, the focus shifts from the ability to predict or forecast to the ability to respond quickly and solve problems quickly and creatively. (Gunasekaran, 2001). If a problem occurs in the workplace such as a broken machine, ABC MSME can already handle it quickly, a maximum of 1 (one) day. However, in uncertain conditions such as the Covid-19 outbreak in early 2020, ABC MSME adjusted its strategy by adding a B2C business model by creating its own Brand but the response was not fast because it occurred over a period of approximately 3 (three) years. Thus, ABC MSME must be more adaptive and responsive to the existing situation by routinely conducting *wide-deep scanning* of trends and changes in consumer behavior. If there is a problem, management can use a simple *Root Cause Analysis* by applying the 5 Whys. Also conduct crisis simulations and rapid responses to train the team not to panic and have a solution-oriented mindset. For example, if the main machine breaks down when orders are piling up, the team can take the initiative to activate the backup machine, complete the most urgent orders and immediately call a technician.

A rich information system highlights the importance of designing an information system that supports rapid communication, while enabling effective knowledge capture and sharing (Gunasekaran, 2001). UMKM ABC does not yet have an information system that allows the Owner to monitor status and workflow in *real-time*. Mekari Jurnal also offers a *dashboard* that displays stock in *real-time* . By using this system, it is hoped that those in charge can monitor the status of the process and workflow in *real-time* . Furthermore, the entire production team can use the Kanban Board for daily product process control by using sticky notes or small colored paper for each type of order, for example To Do (Blue), In Progress (Red), QC (Orange), Packing (Yellow), Done (Green).

Knowledge of competitors, markets, technological developments, and so on is crucial for recognizing opportunities for change and identifying relationships and alliances that can generate benefits (Gunasekaran, 2001). Currently, UMKM ABC has *benchmarked* several products with competitors, and according to sources, its products, namely sleeping bags and towels, are superior to those of its competitors in *e-commerce*.

"Towels and sleeping bags are among the top five sellers in the marketplace." (Source: Interviewee 1, 2025)

However, according to Gunasekaran, agile organizations leverage external relationships extensively and compare products, processes, and production services in terms of speed, flexibility, and the ability to meet customer needs holistically. Therefore, SME ABC is proposing to *benchmark* using Google Trends for market research and competitor trend analysis. Google Trends is free, but SME ABC also offers SimilarWeb, which can be used to compare monthly traffic to competitors.

Agility is not only about response, but also the application of innovative capabilities proactively providing solutions to customers even before they realize what they need (Gunasekaran, 2001). Resource 1 stated that all production staff at UMKM ABC already know exactly what customers want, namely quality products with neat stitching. However, the main production staff does not have direct contact with customers, only the owner has direct contact. Direct staff contact is only with customers in *e-commerce*. By considering the results of the content analysis, the suggestions that can be given to UMKM ABC are:

- In the product description, create a clear material category, such as adding details about the material thickness or material grammage (gsm) with a narrative that the lightweight and *breathable material* is very suitable for outdoor activities.
- Create price categories based on quality, for example, create a product segment with affordable prices and lightweight materials as *the basic line* and a medium price with thick materials as *the premium line*.
- Always respond to negative reviews actively, politely, and with solutions. Active responses demonstrate professionalism and can reduce the ongoing negative impact of reviews.
- Create customer segmentation based on the most popular products or customer groups (teenagers, housewives, workers, etc.) to develop promotional strategies or launch new products.
- Create a membership program where each member will get points (Shopee coins) every time they shop and can exchange them for future purchases.
- Create a Loyalty Program such as Birthday Rewards or discounts for members on their birthday month.

The source stated that the raw material supplier already knows the quality standards required by ABC MSME when needed. The supplier also ships the materials directly to ABC MSME, ensuring efficient distribution. Furthermore, any raw materials that do not meet the standards can be returned to the supplier. If the material is still in roll form and has not been cut into pieces, the supplier is willing to accept returns.

Networking and collaboration offer significant opportunities for even small businesses to improve their competitive performance (Gunasekaran, 2001). Currently, MSME ABC does not have strong partnerships with other companies or organizations that provide support, opportunities, and additional capabilities at all levels of the organization. However, the source stated that the owner has joined a local community or MSME association. MSME ABC also has production partnerships (*maklon*) with competitors.

In an integrated organization, rich information systems enable the flow of information throughout the company, making employees more capable and willing to make decisions (Gunasekaran, 2001). Interviewees stated that input from all employees is always taken into account and decisions are always made quickly but carefully.

With the increasing emphasis on knowledge as the basis of competitiveness, there is growing recognition that learning may be one of the core processes that companies need to manage (Gunasekaran, 2001). Interviewees stated that neither individuals nor teams actively engage in continuous skills development. Suggestions include providing training and development to workers, job rotation, and a regular assessment and feedback system.

## CONCLUSION

Resource-based view theory can be used to identify a company's internal resources and capabilities, allowing them to capitalize on existing strengths and enhance those lacking competitiveness or those that have yet to achieve sustained competitive advantage. The study found that in ABC MSME, only five resources and capabilities demonstrated sustained competitiveness, while the remaining 15 resources and capabilities were only temporarily competitive.

From the identification of resources and capabilities that still require management development, the challenges faced by ABC MSME were identified. The identified challenges and obstacles are expected to provide input for ABC MSME to focus more on enhancing its existing resources and capabilities. The main challenges faced by ABC MSME in the VUCA era include limited utilization of information technology, a poor understanding of customer needs and behavior, minimal product innovation, and weaknesses in financial and working capital management. Based on the identified internal strengths, this study successfully designed an adaptive agile strategy that can be implemented by ABC MSME.

## LIMITATION

There are several limitations to the research conducted during this discussion, including:

1. The research subject was limited to only one MSME in the ready-to-wear garment industry (convection). Future research is recommended to be conducted in other industries, such as the food industry or medium-sized enterprises, to provide suggestions for improvements and enhancements to company strategies.
2. The number of respondents given to the questionnaire was only five, including one production manager and four employees. Future research is recommended to increase the number of respondents for more comprehensive results, or to conduct research on MSMEs with several middle management teams to provide input on more effective strategies.
3. Using the content analysis method, this study used sampling for 4-star and 5-star customer reviews due to resource limitations. It is recommended that future research include the entire population within the same timeframe for each customer review.

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