



MSMEs Business Continuity Competitiveness during Post-Pandemic from the Lens of Disaster Recovery Business Planning Theory Approach

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ABSTRAK

2020 is the most difficult year in the start-up world due to the Covid-19 pandemic existed since the end of 2019 which forced every effort to turn the direction of strategy. Not a few also experience a crisis in the time of pandemic, so some companies have laid off their employees to reduce the burden of financing. The business sectors most affected are the commercial aviation, travel, oil and gas, automotive and banking sectors. But the business of the MSME sector is also affected due to the availability of raw materials and social restriction regulations. By applying the Action Research methodology from the literature study of post-pandemic phenomena, the study used a compilation data source to support this writing literature research. The focus of this writing is the MSME sector businesses that are still operating in the post-Covid-19 pandemic. Almost all business people in the MSME sector experienced a very drastic decrease in sales turnover, experiencing various marketing and sales constraints, as well as product distribution. Some business actors in the MSME sector are trying to maintain their business or business in the middle until after the Covid-19 pandemic by following government rules and health and security protocols with various efforts observed (observe), identified (to orient), make decisions (decide), and re-activity (to act) by continuously observing, identifying, making decisions, and acting continuously in one unconstrained cycle time. This study employs and implements an OODA loop or cycle. The concept of OODA loop is the concept of repeated analysis to determine the decision of a problem. OODA stands for Observe, Orient (problem identification), Decide (quick decision making), and Act (immediate action). The term cycle or loop comes from this concept because every process repeats until decisions taken are effective and able to have a significant impact in dealing with problems. For this reason, it is recommended that every business actor can try this method as a solution to the challenge of overcoming the economic crisis caused by COVID-19 through the OODA loop. The research objective and result are to present tactical steps that may be done by MSME business actors by applying the Business Continuity Plan process so that business actors are able to anticipate disasters that may be able to hit and have a long impact on their business.

1. INTRODUCTION

The number of MSMEs in Indonesia has reached 99.9% of all business units in Indonesia. It can be concluded that MSMEs are a big contribution in economic growth in Indonesia (Soetjipto, 2020). The growth of micro, small and medium enterprises in Indonesia cannot be separated from the factors that have led to this progress. The prolonged condition of the Covid-19 pandemic pushed all sectors of life and the economy almost completely stopped. Not only public service agencies have stopped, but all macro and micro businesses have stopped including traditional markets, shops, and super markets. This situation makes business actors draw up plans, secure assets, and capital, and make efforts to save their business and find ways to keep the business running during the pandemic. This research illustrates how businesses maintains business in the MSME sector, businesses with capital and small revenue turnover. The purpose of the research is to explore and analyze the condition of MSMEs in Jakarta in maintaining their business in order to be able to maintain their business through the pandemic period until after the Covid-19 pandemic.

In this study, the author wants to present tactical steps that may be done by MSME business actors by applying the Business Continuity Plan process so that business actors are able to anticipate disasters that may be able to hit and have a long impact on their business. For tactical measures taken in the form of: joining social media groups and applications (WhatsApp, Facebook, Instagram, YouTube, Twitter, Gojek, Grab, etc.); promote through the internet; Communicate with customers, invite small numbers of customers or potential customers, and inform new products. According to Soetjipto (2020), Business Continuity Plan (BCP) is a strategy or process of preparing preventive and curative systems in order to reduce or prevent the impact of crises on normal business activities. BCP may be a strategy or method of getting ready forestall live and curative systems so as to scale back or prevent the impact of crises on traditional business activities. BCP's strategic arrange emphasizes the operate of human resources or plus resources to stay it running within the inside of a crisis. Basically, BCP activities are to identify problems and make quick policies in dealing with them.

The Ministry of Micro, Small and Medium Enterprises (MSME) Law No. 20 of 2008 uses several standards. For micro-businesses, where highly productive companies are owned by a sole proprietor and meet the legal standards of micro-businesses. A small business entity is a business entity that is part of a subsidiary or branch of a company that is independent and owned or controlled by a medium or large company that meets the standards of small business regulated in business economics law. Similar to SMEs, SMEs directly or indirectly owned by a person or legal entity that is not a subsidiary or branch of SMEs, or a company with a large amount of net assets or annual sales, or a manufacturing company SMEs owned or owned by direct or indirect participation within the meaning of paragraph (1) are regulated by law.

The COVID-19 pandemic has negatively impacted the national economy, including reduced consumption and purchasing power, reduced business efficiencies, threats to the banking and financial sectors, and the presence of micro, small and medium-sized enterprises (MSMEs). In terms of people's consumption and purchasing power, this pandemic has reduced or even lost the income of many workers, thus affecting the level of consumption, and purchasing power of the community, especially the target population, informal and unskilled workers. Most people are very careful in managing their financial expenses because of the uncertainty of the end of this pandemic. This reduces people's purchasing power over consumer goods and puts pressure on producers and sellers. On the business side, this pandemic has disrupted business operations, especially those engaged in trade, transportation, and tourism (Pakpahan, A. K., 2020).

Study Literature

According to Prameka *et al.* (2021), the Micro Small Medium Enterprise (MSME) is the largest group and has proven its position in various economic crises (BI, 2020). However, during the COVID-19 pandemic, micro, small and medium-sized enterprises (MSMEs) were also affected in various sectors of the economy. The co-operative and MSME ministers stated that the outcome of the COVID-19 pandemic would have a significant impact on MSME sustainability (RI, 2020). Due to the COVID-19 pandemic, about 47% of MSMEs need to install mats. MSME has cash flow problems, and weakening on the demand side limits the sustainability of MSME. These issues require the cooperation of stakeholders to support structuring and post-COVID-19 activation in the MSME sector in order to maintain MSME sustainability and instill commitment and trust from MSME.

Whitman and Mattord (2007) describe that an event can be considered a disaster when (1) the organization is unable to mitigate the impact of an incident while it occurs, and (2) the extent to which it occurs the damage or destruction is so severe that the organization is not able to recover quickly. The difference between an incident and a disaster may be subtle; the contingency planning team must make the distinction between disasters and incidents, and it may not be possible to make this distinction until an attack occurs. Often an event that is initially classified as an incident is later determined to be a disaster. When this happens, the organization must change how it is responding and take action to secure its most valuable assets to preserve value for the longer term even at the risk of more disruption in the short term. Disaster Recovery (DR) planning is the system of making ready an enterprise to address

and get over a disaster, whether natural or man-made. The key emphasis of a DR plan is to re-establish operations at the primary site, the location at which the organization performs its business.

Later they mentioned about business continuity planning prepares an organization to re-establish critical business operations during a disaster that affects operations at the primary site. If a catastrophe has rendered the cutting-edge region unusable, there should be a plan to permit the commercial enterprise to preserve to function. Not every business needs such a plan or such facilities. Small companies or fiscally sound organizations may have the latitude to cease operations until the physical facilities can be restored. Manufacturing and retail organizations may not have this option, because they depend on physical commerce and may not be able to relocate operations. Developing Continuity Programs Once the incident response and disaster recovery plans are in place, the organization needs to consider finding temporary facilities to support the continued viability of the business in the event of a disaster. The development of the BC plan is somewhat simpler than that of the IR plan or DR plan, in that it consists primarily of selecting a continuity strategy and integrating the offsite data storage and recovery functions into this strategy. Some of the components of the BC plan could already be integral to the normal operations of the organization, such as an offsite backup service. Others require special consideration and negotiation. The first a part of commercial enterprise continuity making plans takes region with the improvement of the joint DR/BC plan. Identifying essential commercial enterprise features and the sources required to guide them is the cornerstone of the commercial enterprise continuity plan. When a disaster strikes, these functions are the first to be re-established at the alternate site. The contingency planning team needs to appoint a group of individuals to evaluate and compare the various alternatives available and recommend which strategy should be selected and implemented. The strategy selected usually involves some form of offsite facility, which should be inspected, configured, secured, and tested on a periodic basis. The selection should be reviewed periodically to determine if a superior alternative has emerged or if the organization needs a different solution. Continuity Strategies (Botha, 2004) are a number of strategies from which an organization can choose when planning for business continuity. The determining factor when selecting from among these options is usually cost. As the required requirements and characteristics of an effective methodology were determined, a few phases methodology will be used to explain the cyclical approach to the implementation of the methodology as was develop by Soetjpto (2020) and was adopted on this research.

2. METHODOLOGY

The author tries to explore from the perspective of micro-entrepreneurs through MSME tactical steps that is adopted from Soetjpto (2020) using the crisis management strategy of Business Continuity Process after the Covid-19 outbreak. This study uses secondary data from current pandemic outbreak journal and articles, as well as from media. Through the process of observing and analysing the literature on the methodology of action research, this study expects to earn recommended valuable insights from strategies and process from competitive intelligence point of view to create a MSME's sustainable development process and planning, so that appropriate measures can be formulated in assisting the sector throughout crisis cycle.

Because this research uses the methodology of action research, action research has been described as a widespread approach in education in previous years. It has tremendous significance when researchers take this approach. That is, people can use this approach in any situation such as teaching methods, learning strategies and other educational fields in order to solve the problems that people face. In addition, a wide range of people, from the individual teacher to other stakeholders, can take this approach (Cohen, Manion & Morrison, 2000).

Later, action research is used as a shape of self-reflexive collective inquiry undertaken with the aid of using individuals in a social state of affairs to enhance the rationality and justice in their social or academic practices, in addition to their information of those practices (Kemmis and Mc Taggart, 1988). The emphasis on self-reflection and improving social and educational practices distinguishes action research from other research methods. Action research offers a working method that combines theory and practice in one: Ideation (Kemmis and Mc Taggart, 1988). Action research is not just a simple activity like everyday action. It is a process of "planning, acting, observing and reflecting in a careful, systematic and rigorous manner" (Cohen, Manion & Morrison, 2000).

Firstly, action research is a collaborative activity. "Action research is the group of people can arrange the situations beneath which they are able to analyse from their personal experience" (Kemmis and Mc Taggart, 1988). It is greater systematic and collaborative, it's also said "the method is most effective motion studies while collaborative" (Kemmis and Mc Taggart, 1988). Hill and Kerber additionally emphasis this opinion via way of means of announcing that motion studies is a cooperative, collaborative activity (Cited in Cohen, Manion, and Morrison, 2000). "Collaboration, in inquiry and essential reflection, via the innovative and emancipatory version of action research, gives significant opportunities for enhancing the excellent of education for our pupils" (Lomax, 1989). For those people who support this opinion, they insist on the view that action research can only be achieved by group activity. "To lapse into individualism is to destroy the critical dynamic of the group" (Cohen, Manion and Morrison, 2000). However, although group work is very important in action research, the contribution of individual cannot be neglect. Group work comes from the action of individual group members. Secondly, action research aims at solving

the problems of people's own work not the work of the others. Thirdly, action research is a spiral process. Finally, action research creates its self-essential categories (Kemmis and Mc Taggart, 1988), which is ideal for one to recognize their personal situation. "It objectives to assemble sets of one faithful to enlightening themselves nearly correlation among circumstance, activity, and outcome of their individual situation, and emancipating themselves from the institutional and individual constraints which restrain their influence to be their personal authorized educational and social values" (Kemmis and Mc Taggart, 1988). In short, it can be pointed out that action research can create a self-critical community that can lead people aware of their situation and accomplish works more effectively.



Figure 1. Action Research Cycle & Phases (Resource Compilation from Sutjipto (2020), Stinger (1996), & Hopkins (1993))

The aim of this method is to obtain the subsequent action research results: A recognized variety of goals and a preliminary operating assumption nearly a way to obtain them through presenting the suitable framework for experiential mastering to motivate learner and practitioner possession of the mastering method; A program curriculum version and recognized studying data and strategies to assist the research interventions; On-the-activity utility of those newly received abilities and abilities through the practitioner and the learner; Observations and reviews of the consequences of steps applied with the aid of using the members withinside the studies assignment. This remarks will consist of various ongoing mechanisms for learner and practitioner remarks and debriefings; Reflection upon the outcomes of the assessment in instruction for enhancing the practices program for implementation in upcoming cycles. The action research method gives a scientific method to introducing improvements in coaching and the studying environment. Hence, the purpose of those action research results is to enhance the best of practitioners and master interventions in similarly training, better training, and expert improvement in the constraints and realistic issues encountered at some stage in the studies task and to are searching for answers to the issues diagnosed. Insights received from the mirrored image on and evaluation of practices might be fed again into practice. A constant re-evaluation of the mastering interventions, frameworks, and systems to guarantee non-stop development withinside the place of work is maintained withinside the education and improvement method. In addition, a systematic return on actions applied withinside the method will help those assessments.

3. RESULTS AND DISCUSSION

The OODA loop principle is quite applicable to various sectors, this is because OODA is a competitive intelligence process cycle that builds the ability to compete with competitors. (1) Observation is the first step of a process to identify or form a thinking orientation, then find some alternative solution as material in decision-making that will serve as the basis for action. Furthermore, some alternative actions that have been implemented will encourage the business environment to provide feedback or reactions that become a new picture to MSMEs. Such feedback usually appears implicitly, so business actors or SMEs must pay close attention and business actors must have a sharp observation to capture the existing message. (2) Orientation is a process that continues (not an inferred picture). Orientation is done using analysis and synthesis of the results of observations that have been done before and by looking at what is happening now. (3) At the Decision stage (Decide) may be referred to as the preparation of conjecture or preliminary conclusion which is a continuation of the previous stage (Orient). In this phase the process of stages in decision making is an explicit step, which can be used as a critical step and continuation built from the results of orientation. (4) At this stage of Action is the most real step of influence, because a predetermined decision will have an influence on the new situation that will arise. In this stage there is often a condition that differs between hope and reality and new facts that are sometimes unpredictable. So MSME business actors need to immediately strengthen the new situation and facts to immediately evaluate and review and take tactical decisions and act appropriately repeatedly.

A Disaster Recovery Plan (DRP) describes how a company responds to internal or external events so that critical business processes can continue without failure. The goal of DRP is to take appropriate steps to reduce the impact of disasters and protect valuable resources. Business Continuity Planning (BCP), on the other hand, shows the methods and procedures companies have used to ensure that critical functions continue to function during and after a disaster. This is the ability to maintain the continuous availability of critical systems, applications, and information within your company. BCP responds to the necessary business understanding response to adverse events. This process is a company-wide feature to reduce financial losses, improve customer service, and mitigate catastrophic events that can affect name, process, liquidity, and market reputation. Must be run against. Disaster recovery (DR) and preparation for recovery using a business continuity plan (BCP). BCP was a common name and was limited to storing, protecting, and providing data redundancy.

4.CONCLUSION AND RECOMMENDATION

The author wants to present tactical steps that may be done by MSME business actors by applying the Business Continuity Plan process so that business actors are able to anticipate disasters that may be able to hit and have a long impact on their business. There is still a lack of literature on the impact of new and emergent crises like a pandemic outbreak on micro-enterprises. Micro enterprises in developing regions are expected to face greater challenges than large enterprises and urban areas, especially during crises. The impact of crisis or disaster on a business enterprise should be of great concern to entrepreneurs as it affects current and future business performance.

The concept of OODA loop is a process that is repeated until the decision taken is effective and able to have a significant impact in dealing with problems. Therefore, it is recommended that every business actor can try this method as a problem solving in the face of economic crises due to disasters and / or prolonged outbreaks through the OODA cycle. The expectations conveyed by business actors related to financing, technical financing (installment) of loan capital and marketing, it is expected that the government can provide operational assistance in the form of late payment waiver recommendations, and support product distribution and marketing. From the results of the literature discussion from the results of the action research methodology of the Business Continuity Plan as one of the strategic managements used by business actors to secure and maintain their business in the middle and after the Covid 19 pandemic, it is recommended for further research to be able to review in action research for resilience and other business development through OODA methods.

There are many studies that have been conducted on business continuity strategy among large manufacturing-based companies or in the developed. However, research investigating micro enterprises in developing countries is limited. Furthermore, most studies on crisis management processes are focused on managing the impact of epidemic disease outbreaks, natural disasters, economic and financial crisis and inadvertent disaster and terrorisms (Fabeil, Pazim, Langgat, 2020).

Recommendations of business continuity planning should be doing in several ways, such as (1) create standard for MSMEs' business continuity planning regarding food (warteg) business; (2) set the optimal solution to get back in business and maintaining baseline standard operations to normal restored levels; (3) find the gaps between recovery requirements and current recovery capabilities; (4) develop feasible recovery strategies for all operating chains; (5) conduct awareness; (6) establish a process for updating and maintaining the business continuity plans.

Further suggestion in action research, the writer suggests that in conducting action research for future research on this field is suitable to be based on the original formulation with the modification and developed by Mills (2003) as following: describe the problem and focus area; define the factors involved in focus area; development of research questions; describe the membership of the action research group; develop a list of resources to implement the plan; describe the data to be collected; develop data collection and analysis plan; select appropriate tools of inquiry; carry out the plan; report the result.

To acquire and meet the better impact, this research is expected to benefit to MSMEs' management and Government. By implementing the modified DRBP (Disaster Recovery Business Plan) on future research the impact is expected significantly and positively to be able to cover and prevent all the condition during and post plague and wave of disasters.

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