

Adaptation Strategy Micro, Small and Medium Enterprises (MSMEs) based on Cost Reduction Strategies

Irma Purnamasari¹, Rita Rahmawati², Denny Hernawan³, Neng Suci Amalia⁴, Cecep Wahyudin⁵

¹, Univesitas Djuanda, Indonesia ;

², Universitas Djuanda, Indonesia ;

³, Universitas Djuanda, Indonesia ;

⁴, Universitas Djuanda, Indonesia ;

⁵, Universitas Djuanda, Indonesia ;

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Abstract

Background - Micro, Small and Medium Enterprises (MSMEs) have an important role in supporting the national economy, but often face significant challenges, especially in situations of economic uncertainty, such as a pandemic or financial crisis. One of the main challenges faced by MSMEs is limited resources which affect their ability to survive and adapt. Therefore, implementing cost reduction strategies is a relevant and strategic solution for increasing operational efficiency and the competitiveness of MSMEs.

Purpose - This research aims to analyze the implementation of cost reduction strategies in MSMEs as an effort to adapt to changing market conditions and economic challenges.

methodology - The research method uses qualitative methods by collecting data through in-depth interviews, observation and literature studies related to MSMEs. Research informants involved several MSME actors from several fields, with a focus on cost reduction practices such as efficient use of raw materials, effective human resource management, and adoption of low-cost technology.

Findings - The research results show that cost reduction strategies are able to increase the resilience of MSMEs in facing external pressures. MSMEs that implement this strategy show increased operational efficiency and are able to maintain profitability even in uncertain market conditions. Additionally, the adoption of simple digital technologies, such as free financial management apps, has a positive impact on cost management. In conclusion, cost reduction strategies are an effective and sustainable approach to help MSMEs adapt amidst dynamic economic challenges.

Originality - The novelty of this research is a practical and contextual approach that integrates operational and crisis adaptation aspects to answer specific challenges faced by MSMEs

Keywords: MSMEs (Micro, Small and Medium Enterprises), Cost Reduction Strategies, Operational Efficiency, Economic Adaptation
