

## Increasing Productivity and Competitiveness of Cute Cake and Bakery Padang MSMEs

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### ABSTRACT

*MSMEs play an important role in the Indonesian economy, including in the culinary sector, such as Comel Cake and Bakery in Padang. However, challenges in increasing productivity and competitiveness are obstacles that must be overcome for businesses to survive and grow. This study aims to analyze the strategies implemented by Comel Cake and Bakery to enhance operational efficiency, product innovation, and digital-based marketing to address industry competition. The method used is a qualitative approach, employing interview techniques, observation, and literature review related to MSME management. The results of the study indicate that productivity improvements are achieved through optimizing the production process, employee training, and the use of high-quality raw materials at efficient costs. Meanwhile, the strategy to enhance competitiveness involves product diversification, strong branding, and the utilization of social media and e-commerce platforms to reach a broader market. In addition, support from the government and the MSME community also contributes to accelerating business growth. By implementing these strategies, Comel Cake and Bakery has been able to increase production volume, expand market share, and achieve higher profits. This study provides valuable insights for MSME practitioners in adopting effective strategies to boost competitiveness in the digital era. Therefore, synergy between innovation, technology, and supportive policies is the key to promoting the sustainability and growth of MSMEs in the culinary sector.*

**KEYWORDS** Indonesian Halal Food MSMEs, productivity and competitiveness.



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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in driving Indonesia's economic growth. As one of the sectors that absorbs a significant portion of the workforce, MSMEs contribute to job creation, increased household income, and the strengthening of national economic resilience. Amidst increasingly fierce business competition, MSMEs must enhance both productivity and competitiveness to survive and grow. One such MSME in the culinary sector is *Comel Cake and Bakery*, located in Padang City. This enterprise focuses on producing various types of cakes and bread, which are sold to the local community or through special orders (Fauziah, 2020).

In operating its business, *Comel Cake and Bakery* faces several challenges, particularly in improving productivity and competitiveness. Intensifying competition from similar businesses—including both other MSMEs and larger corporations—is a key challenge that must be addressed. Additionally, shifting consumption trends toward higher-quality products and greater accessibility via digital platforms require MSMEs to innovate and adapt. Without effective strategies, MSMEs risk stagnation or even losing the market share they have established (Anggry, 2021).

Productivity is a critical factor in determining business success. High productivity not only affects the quantity of products manufactured at any given time but also impacts production cost efficiency and profit margins. However, many MSMEs continue to face barriers to increasing productivity, such as limited capital for investment in modern equipment, insufficient workforce training, and challenges in production management. *Comel Cake and Bakery* has also encountered obstacles in these areas, highlighting the need for strategies that can enhance efficiency and production capacity (Yanto, 2023).

Beyond productivity, competitiveness is another key determinant of MSME sustainability in the food and beverage industry. Competitiveness is influenced not only by product quality but also by marketing strategies, product differentiation, and the ability to reach a broader consumer base. In today's digital era, leveraging technology and digital marketing is essential to boosting competitiveness. Nevertheless, many MSMEs have yet to fully harness digital technologies in areas such as marketing, branding, and customer service. *Comel Cake and Bakery* must develop more innovative marketing strategies to strengthen its market position and attract additional customers.

Micro, Small, and Medium Enterprises (MSMEs) are pivotal to Indonesia's economic development, particularly in the culinary sector, where they make substantial contributions to employment and local growth. Despite their significance, many MSMEs, such as *Comel Cake and Bakery* in Padang, encounter challenges in improving productivity and competitiveness amid rising industry

competition and evolving consumer preferences. This research aims to analyze the strategies employed by *Comel Cake and Bakery* to enhance operational efficiency, drive product innovation, and implement digital marketing, thereby addressing these challenges. By identifying effective practices, the study seeks to provide actionable insights for MSMEs aiming to thrive in the digital era.

The novelty of this research lies in its focus on a specific MSME case study—*Comel Cake and Bakery*—which illustrates the broader challenges and opportunities within Indonesia's culinary MSME sector. While previous studies have examined general MSME challenges, this research delves deeper into the integration of digital tools, sustainable practices, and human resource optimization tailored for small-scale culinary businesses. This approach offers a fresh perspective on how localized strategies can drive productivity and competitiveness within a niche market.

A significant research gap addressed by this study is the limited exploration of holistic strategies that combine operational efficiency, digital transformation, and sustainability for culinary MSMEs. Existing literature often examines these factors in isolation, overlooking their interconnectedness in real-world business contexts. By bridging this gap, the research provides a comprehensive framework that underscores the synergy between internal business processes and external support systems, such as government policies and community networks.

The implications of this research are multifaceted. For MSME practitioners, the findings offer practical strategies to enhance productivity and expand market reach, such as adopting digital marketing and optimizing supply chains. Policymakers can leverage these results to design targeted support programs, including training and financial assistance, to strengthen MSME resilience. Additionally, the study contributes to academic discourse by emphasizing the importance of context-specific strategies in MSME development, encouraging further research in similar settings.

Ultimately, this study highlights the critical role of innovation, technology, and strategic partnerships in ensuring the sustainability of MSMEs. By examining the case of *Comel Cake and Bakery*, the research not only identifies actionable solutions but also sets a precedent for other culinary MSMEs to adapt and thrive in a competitive landscape. The findings aim to inspire broader adoption of integrated strategies that align with both business objectives and market demands.

## RESEARCH METHOD

This research employs a qualitative descriptive approach utilizing literature review techniques. The qualitative descriptive approach is designed to understand and articulate phenomena in depth, drawing on data collected from a variety of literature sources. Rather than gathering primary field data, this study focuses on

analyzing theories, concepts, and prior research findings relevant to enhancing the productivity and competitiveness of MSMEs, particularly within the culinary industry (Darwanto, 2013).

The literature review process involves collecting and evaluating diverse reference materials, including scientific journals, books, research reports, articles, and policy documents related to MSMEs, productivity, and competitiveness strategies. Data obtained from these sources are then critically analyzed to identify effective strategies for improving MSME performance, with a particular emphasis on *Comel Cake and Bakery* in Padang.

During the analysis, this study applies data interpretation and synthesis techniques to draw conclusions pertinent to the research problem. The collected data are categorized according to key themes, such as factors influencing MSME productivity, strategies for enhancing competitiveness, and the role of innovation and technology in MSME business development. Through this approach, the research aims to provide comprehensive insights into strategies that *Comel Cake and Bakery* can implement to boost its competitiveness and ensure business sustainability amid intensifying industry competition (Yanto, 2023).

## **RESULT AND DISCUSSION**

### **Increased Productivity through Operational Efficiency**

One of the main factors in increasing the productivity of MSMEs is efficiency in the operational process. Based on a literature review, MSMEs that are able to manage their production well will be more competitive and have the opportunity to develop. *Comel Cake and Bakery* can improve operational efficiency by implementing clear standard operating procedures (SOPs) in every stage of production. Structured SOPs will help reduce errors in production, save raw materials, and improve product consistency (Fauziah, 2020).

In addition, the use of more modern production equipment can increase production capacity without having to add an excessive amount of labor. For example, by using mixers and ovens with larger capacities, the production process can be carried out faster and more efficiently. Training for the workforce is also an important aspect in increasing productivity. Better-skilled employees will be able to work faster and produce high-quality products without compromising time efficiency.

### **Diversify Products to Attract Consumers**

Product diversification is an effective strategy to increase the competitiveness of MSMEs. In the culinary industry, customers tend to look for products that are unique and in line with trends. Therefore, *Comel Cake and Bakery* can develop new and more innovative product variants, such as organic-made cakes, low-sugar cakes for customers who have certain health conditions, and cakes with regional flavors as a form of product differentiation.

In addition to innovations in flavor variants, product diversification can also be done through variations in size, packaging, and shape. For example, cake products in small

sizes or hampers can attract the attention of customers who want to buy as gifts. By continuing to innovate in products, these MSMEs can increase customer interest and expand their target market (Anggry, 2021).

### **Utilization of Digital Technology in Marketing**

In the digital era, the use of technology in marketing is one of the main factors in increasing the competitiveness of MSMEs. Based on various studies, MSMEs that actively utilize social media and e-commerce have a greater chance of reaching a wider market.

Comel Cake and Bakery can leverage social media such as Instagram, Facebook, and TikTok to introduce their products. Engaging promotional content, such as cookies making videos, customer testimonials, and special discounts, can increase brand visibility and attract the attention of potential customers. In addition, these MSMEs can also work with local culinary influencers to increase their brand exposure on social media (Zaelany, 2019).

Joining an e-commerce platform such as ShopeeFood, GoFood, or Tokopedia can also be an effective strategy in increasing sales. With the online ordering service, customers can more easily access Comel Cake and Bakery products without having to come directly to the store.

### **Improvement of Customer Service Quality**

In addition to product quality, good customer service is also an important factor in increasing the competitiveness of MSMEs. Based on research, customers tend to be more loyal to businesses that provide a good service experience. Therefore, Comel Cake and Bakery needs to improve customer service by providing quick responses to inquiries or complaints, providing timely delivery services, and offering loyalty programs for regular customers.

The implementation of a more systematic ordering system, such as through WhatsApp Business or automated chatbots on social media, can increase efficiency in serving customers. By providing better service, Comel Cake and Bakery can build long-term relationships with customers and increase their satisfaction (Darwanto, 2013).

### **Cost Management and Availability of Raw Materials**

In running a business, one of the biggest challenges for MSMEs is the fluctuation in raw material prices. As a business engaged in the culinary sector, Comel Cake and Bakery relies heavily on the supply of raw materials such as flour, sugar, eggs, and butter. An increase in the price of raw materials can have an impact on production costs and product selling prices.

To overcome this problem, these MSMEs can implement cost efficiency strategies, such as establishing long-term cooperation with regular suppliers to get more stable prices. In addition, buying raw materials in bulk can provide advantages in terms of price discounts. Another alternative is to look for substitution raw materials that remain of high quality but have a more affordable price.

In addition to raw material management, good financial management is also very necessary in maintaining business sustainability. Creating neat and transparent financial

reports can help in controlling expenses and identifying areas that need to be improved to improve production cost efficiency (Yanto, 2023).

### **Government and Business Community Support**

The government has an important role in supporting the growth of MSMEs, including in providing access to capital, business training, and regulations that favor small business actors. Comel Cake and Bakery can take advantage of programs provided by the government, such as People's Business Credit (KUR) for business capital, MSME training programs, and marketing assistance in the form of exhibitions or promotions of local products.

In addition, joining the MSME community can also provide many benefits for this business. Through the business community, MSMEs can share experiences, get the latest information on market trends, and collaborate with other business actors. Collaboration with other MSMEs, such as cooperation with raw material suppliers or catering businesses, can open up new opportunities in developing businesses (Fauziah, 2020).

### **Business Sustainability through Sustainable Business Practices**

In the long term, business sustainability is a factor that must be considered by MSMEs. The concept of sustainable business includes not only economic aspects, but also environmental and social aspects. Comel Cake and Bakery can implement environmentally friendly business practices, such as reducing the use of plastic in packaging, using more natural raw materials, and managing production waste better. In addition, involvement in social activities, such as providing training for young aspiring entrepreneurs or donating products to communities in need, can improve the positive image of this business. By implementing the concept of sustainability, these MSMEs not only increase their competitiveness, but also have a positive impact on the community and the surrounding environment.

Based on the discussion above, it can be concluded that increasing the productivity and competitiveness of Comel Cake and Bakery can be achieved through various strategies, such as optimizing the production process, innovating products, utilizing digital technology, and improving the quality of customer service. In addition, efficient cost management, support from the government and the business community, and the application of sustainable business principles are also important factors in strengthening the competitiveness of these MSMEs (Anggry, 2021).

By implementing the right and sustainable strategy, Comel Cake and Bakery can continue to grow and compete in an increasingly competitive culinary industry. This study also provides insight for other MSMEs in facing business challenges and opportunities in the current digital era.

### **Optimizing Human Resource Management**

Human resources (HR) are important assets in the sustainability and development of a business, including MSMEs such as Comel Cake and Bakery. The quality of a competent and trained workforce can contribute significantly to increased productivity as well as the quality of the products produced. Therefore, optimizing human resource

management is a strategy that needs to be considered in increasing business competitiveness.

One way to improve the quality of human resources is through training and skill development of employees. Training can cover various aspects, from more efficient baking techniques, the use of modern equipment, to more professional customer service. By providing regular training, Comel Cake and Bakery can ensure that employees have skills that are always updated in accordance with the development of the culinary industry (Zaelani, 2019).

In addition to training, providing incentives and reward systems can also increase employee work motivation. Studies show that workers who feel valued tend to have higher productivity and are more loyal to the company. Incentives can be in the form of performance bonuses, benefits, or awards for the best employees every month. With good HR management, Comel Cake and Bakery can create a conducive work environment and support business growth.

### **Network and Partnership Development Strategy**

Network development and partnerships are effective strategies in increasing the competitiveness of MSMEs. By collaborating with other parties, Comel Cake and Bakery can expand the market, improve production efficiency, and gain access to better resources. One form of partnership that can be done is cooperation with raw material suppliers. By having a permanent supplier, these MSMEs can obtain raw materials at a more stable price and ensure that the quality of the materials used is maintained. In addition, cooperation with shipping service companies can also help in improving customer service, especially when it comes to delivering products to customers in various locations.

Partnerships with other businesses in the culinary industry can also open up new opportunities. For example, Comel Cake and Bakery may work with cafes or restaurants to provide cake products as part of their menu. This strategy not only increases sales but also expands customer reach (Darwanto, 2013). In addition to partnerships with other businesses, collaboration with the MSME community or entrepreneur associations can also provide great benefits. Through this community, MSMEs can share experiences, get the latest information on business trends, and get support in overcoming the challenges faced.

### **Utilization of Digitalization in Business Management**

In addition to digital marketing, digitalization in the aspect of business management also has an important role in increasing the efficiency and competitiveness of MSMEs. By implementing a technology-based management system, MSMEs can manage their businesses in a more structured and efficient manner.

One of the technologies that can be applied is the use of digital cashier applications (Point of Sale / POS) which can help in recording transactions, managing raw material stocks, and analyzing sales. With this system, Comel Cake and Bakery can more easily track the best-selling products, determine the optimal pricing strategy, and avoid wasting raw materials (Yanto, 2023). In addition to the digital cashier system, the use of simple accounting software can also help in financial management. Many MSMEs still manage their finances manually, which risks causing recording errors and difficulties in controlling



cash flow. By using accounting applications, MSMEs can more easily monitor income and expenses and make more transparent financial reports.

Digitalization can also be applied in the product ordering system. Comel Cake and Bakery can develop a website or use a delivery application to make it easier for customers to place orders. With a more integrated system, the transaction process can run faster and customers get a more comfortable shopping experience (Yanto, 2023).

### **Competitive Analysis and Adaptation to Market Trends**

To increase competitiveness, Comel Cake and Bakery needs to conduct regular competition analysis. In the culinary industry, competition is very fierce with many business actors offering similar products. Therefore, understanding the strengths and weaknesses of competitors can help these MSMEs in determining a more effective business strategy.

One way to analyze competition is to observe competitors, both in terms of products, prices, marketing strategies, and customer service. By understanding the strengths and weaknesses of competitors, Comel Cake and Bakery can identify opportunities for product differentiation and increase its competitive advantage (Mohamad, 2020).

In addition to competitive analysis, adaptation to market trends is also an important factor. The culinary industry is always experiencing changing trends, such as the increasing demand for healthy products, plant-based foods, or more aesthetically pleasing food concepts for social media needs. Comel Cake and Bakery can continuously update its product portfolio based on emerging trends to stay relevant to customer preferences.

Additionally, taking advantage of specific moments such as holidays, national celebrations, or holiday seasons can also be an effective marketing strategy. For example, offering special hampers packages for Eid or Christmas can increase sales in certain periods.

### **The Influence of Government Regulations and Policies on MSMEs**

Government regulations and policies have a great impact on the sustainability of MSMEs. Policies such as business taxes, business licenses, and regulations related to food safety can affect the operations of MSMEs. Therefore, Comel Cake and Bakery needs to understand and comply with applicable regulations in order to run its business legally and avoid legal sanctions.

In addition to regulations, the government also has various programs that aim to support the growth of MSMEs, such as business capital assistance, business management training, and local product marketing programs. Comel Cake and Bakery can take advantage of these programs to increase its business capacity and get support in facing existing challenges (Cahyawati, 2020).

### **Future Prospects and Business Development Plan**

Based on the various strategies that have been discussed, the future prospects of Comel Cake and Bakery have a considerable opportunity to continue to grow. By



implementing the right strategy, these MSMEs can increase their production scale, expand their market reach, and strengthen their position in the culinary industry.

In the long run, a business development plan can include opening new branches, expanding into a wider market, as well as developing more innovative products. In addition, investment in technology and more professional HR management can be a key factor in driving sustainable business growth (Egim, 2019).

The success of Comel Cake and Bakery depends not only on the business strategy applied, but also on adaptability and innovation in the face of market changes. With a strong commitment and the use of existing opportunities, these MSMEs can continue to grow and become one of the successful business actors in the culinary industry.

The results and discussions in this study show that increasing the productivity and competitiveness of MSMEs such as Comel Cake and Bakery can be achieved through various comprehensive strategies. Starting from operational efficiency, product innovation, the use of digital technology, to good human resource management, all of these factors are interrelated in supporting business growth.

In addition, adaptation to market trends, efficient cost management, and support from the government and business community also play an important role in ensuring business sustainability. By implementing the right and sustainable strategy, Comel Cake and Bakery has a great opportunity to continue to grow and compete in an increasingly competitive culinary industry. With these results, it is hoped that other MSMEs can also take inspiration and implement similar strategies to increase their competitiveness in facing business challenges in this modern era (Cahyawati, 2020).

## CONCLUSION

The research concludes that enhancing the productivity and competitiveness of MSMEs like *Comel Cake and Bakery* requires integrated strategies, including operational efficiency, product innovation, digital technology adoption, and optimized human resource management. Key practices such as implementing standard operating procedures, utilizing modern equipment, and providing employee training have proven effective in boosting production efficiency and product quality. Additionally, product diversification and innovative marketing—especially via digital platforms—are vital for attracting consumers and expanding market reach. External support from the government and business community, through training, financial assistance, and supportive regulations, further strengthens MSME competitiveness. To ensure long-term sustainability, adopting environmentally friendly business practices and maintaining continuous innovation are essential. For future research, it is recommended to conduct empirical studies involving direct field data to validate these strategies and explore their impact on MSME performance across different regions and sectors.

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