

MSMEs DEVELOPMENT MODEL IN THE FAST-FOOD SECTOR THROUGH SOCIAL INNOVATION AND BUSINESS MANAGEMENT IN IMPROVING COMMUNITY WELFARE

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ABSTRACT

MSME sector fast food has a strategic role in the economy national However Still face challenge in the form of limited product innovation, suboptimal business management and low access to training as well as mentoring. This study aims to developing a model for empowering fast food MSMEs through integration of social innovation and business management to improve competitiveness and welfare society. The research method used is qualitative with a case study approach, data collection through interview in-depth, observation participatory and documentation on MSME actors in several sub-districts in Kendari City. The results of the study showed that product development innovative, collaboration community, as well as implementation systematic business management capable increase capacity adaptation, efficiency operational, and market access for MSMEs. Continuous training and mentoring have also proven to be strengthen skills managerial and expanding Network effort. The implications of this research confirm the importance of empowerment models holistic that combines social and business aspects as well the need support digital technology policies and facilitation to ensure sustainability and inclusiveness of fast food MSME development.

Keywords: MSMEs, fast food, social innovation, welfare public

INTRODUCTION

Micro Small and Medium Enterprises (MSMEs) hold role strategic in the economy Indonesian national, especially as a driving force main contributor around 99% of the total business units and absorbs almost 97% of the national workforce (Tambunan 2019) . In this regard, the fast food MSME sector is one of the significant subsector in providing employment while supporting local economic growth through distribution easy product accessed public wide (Daengs et al. 2022) . However, MSMEs in this sector face various challenges that hinder the development of their businesses, such as limited product innovation and suboptimal business management, as well as increasingly competitive market strict due to consumer

dynamics and technological developments. This condition results in low competitiveness and sustainability efforts that ultimately impact on the welfare of MSME actors and the community around (Husriadi and Nurjanah 2024; Lopez-Torres 2023) . In this context, social innovation and business management emerge as solutions. strategic to empower fast food MSMEs.

Social innovation does not only drive creativity products and services but also strengthens social networking and collaboration community that can expand market access and resources (Dambiski Gomes de Carvalho et al. 2021; Husriadi, Muh., Fari Aus 2025) . Meanwhile, effective business management helping MSMEs manage resources in efficient , improve productivity as well as respond rapid market changes (Latifah 2021; Muh. Husriadi, La Ode Ramalan 2025) . However, in reality, many fast food MSMEs have not succeeded optimize potential for product innovation and effective business management strategies. As a result , the income and welfare of MSME actors are still low (Husriadi, Bahar, and Windayani 2024; de Oliveira Sousa et al. 2020) . One of reason The main problem is the lack of an integrated utilization model that combines social innovation and business management to support the sustainable development of MSMEs (Husriadi 2024; Suryanti et al. 2023) . In addition, the limitations Access to relevant training, quality mentoring and adequate resources are serious obstacles for MSMEs in facing changing market dynamics and demands. quality products that are increasingly tall (Utami, Siskawati, and Fauzi 2024) . This condition is exacerbated by competition strict with fast food restaurants and changes appetite consumer especially generation young people who are more interested in modern food (Rajput and Gahfoor 2020) . In line with this, previous studies such as (Aminullah et al. 2024; Dambiski Gomes de Carvalho et al. 2021) generally focus on training technical product or digital marketing partial without integrating aspects of social innovation and business management comprehensive in empowering MSMEs. This causes lack of comprehensive and applicable development models specifically for ready- to-eat food SMEs that are able to provide a direct impact on increasing welfare public (Dung and Dung 2024) .

This gap shows the need for a multidimensional approach that incorporates social innovation- involving collaboration community and creation social values -with practice modern business management to strengthen the competitiveness and sustainability of MSMEs. This approach not only improves efficiency operational and product innovation but also strengthens essential social networks in facing market dynamics and contemporary economic challenges. Therefore, this study presents an innovative MSME empowerment model by integrating social innovation involving participation community and social collaboration as well practice modern business management especially for the sector fast food. This multidimensional approach not only enriches literature management and social empowerment but also offers solution practical and applicable to increase the competitiveness of MSMEs at the same time welfare public in a way direct.

The contribution of this research lies in the development of a holistic and adaptive model that can be used base empirical in designing policy empowerment of inclusive and sustainable MSMEs. In addition, the results of this study provide recommendations strategic for government and stakeholders interests in supporting the development of culinary MSMEs in a way effective, so that push local and national economic growth continuously. Thus, this research fills gaps in empowering MSMEs through synergy of social innovation and modern business management that is relevant to current market dynamics.

RESEARCH METHODS

This research uses design qualitative with a case study approach to explore the empowerment model for MSMEs in the sector fast food. The research procedure includes identification subject, data collection via interview in-depth, observation participatory and documentation related to social innovation and practice business management. Data collection techniques are focused on interactions directly with MSME actors and stakeholders interest use to obtain rich and contextual information. Data analysis was performed in a way thematic with stages reduction, presentation and verification of data to identify patterns, relationships, and relevant meaning in developing a comprehensive and applicable empowerment model.

RESULTS AND DISCUSSION

5.1 Product and Social Innovation

Based on the results of this study are that product development in the MSME sector Fast food in Kendari City shows the important role of innovation that is oriented towards needs consumers and market trends. MSME actors in general active create variation product that combines local flavors with a modern concept. In addition, the collaboration community becomes an aspect key to social innovation, where MSMEs work together with community groups and other business actors to share resources, knowledge, and market access. This finding is in line with the research results (Pertwi, Setiawan, and Rahayu 2022) that product innovation and social collaboration are factor main in maintaining and developing culinary MSMEs . In addition, research (Puspita Sari, Haryono, and Suryandari 2022) that the integration of product innovation and strengthening social networking increases competitiveness as well as welfare of MSME actors in general significant . Thus, innovative product development and collaboration Community is an important foundation in the empowerment model of fast food MSMEs.

5.2 Business Management

Based on the results of this study are that Business management in fast food SMEs in Kendari City is very dependent on structured financial management, adaptive marketing strategies, and ongoing training and mentoring. Effective financial management such as

record keeping cash flow routine and arrangement budget can help MSMEs actors monitor income and expenses in detail so you can take it right business decisions. This finding is in line with the research results (Briones, Camino-Mogro, and Navas 2024) that the recording systematic finance increase profitability and competitiveness of culinary MSMEs by facilitating monitoring cash flow and capital planning . In addition, training and mentoring contribute to improving skills managerial and sustainability MSME business in the sector culinary. Thus, disciplined financial management, innovative marketing strategies, and Continuous training and mentoring are key pillars in strengthening management of fast food MSMEs businesses to increase the competitiveness and welfare of business actors.

CONCLUSION AND SUGGESTIONS

This study reveals that the integration of social innovation and modern business management plays a role crucial in empowering MSME sector fast food to increase competitiveness and welfare society. Social innovation, through collaboration community and creation social values, strengthening Network marketing and access temporary practice resources systematic business management increase efficiency operational and capacity adaptation to market dynamics. This finding is consistent with the theory empowerment that emphasizes the importance of a multidimensional approach in developing MSMEs at the same time enrich literature with evidence empirical about synergy between social and business aspects. The model developed proven effective in improving income of MSME actors and encourage local economic growth in a way inclusive although its implementation Still face challenges such as limitations digital literacy and access ongoing training.

Therefore, the Kendari city government is advised to adopt an empowerment model. This holistic approach to MSMEs development policy prioritizes training integrated, ongoing mentoring, and facilitation affordable access to digital technology. Institution's education and institutions self-reliance society can play a role in providing module adaptive training to needs local. Further research It is recommended to test this model in other MSME sectors or geographic areas. different using a mixed-methods approach to strengthen validity findings. In addition, it is important to explore mitigation strategies. digital divide and empowerment business ethics in the context of empowering MSMEs. The social implications of This finding confirm the need collaboration multi-party to ensure inclusivity and sustainability of empowerment programs so that the impact can be felt in a way evenly distributed by all MSME actors in Kendari City.

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