

Sustainable Competitive Advantage on SMEs: Bringing Local Product toward Global Market

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Abstract: *The limited competence owned by business people traditionally thought to be one the causes of the low capacity of local products to compete in the global market. Porter (1985) stated that the Sustainable Competitive Advantage (SCA) is a strategy to build customers' confidence to the company in the long term. SCA has the characteristics of difficult to imitate and takes place in a relatively long time. Some of the results of previous studies have shown that components of sustainable competitive advantage are different. This study aims to describe and analyze the competitive strategy of traditional food products of soybean chips in Malang, East Java. This type of research is descriptive qualitative study with the subject is soybean chips producers, consumers, distributors and suppliers. Data was collected through interviews, observation and documentation. Data analysis used Miles and Huberman (2014) design which consist of data reduction, data presentation and conclusions with a SWOT analysis as a medium for strategy formulation. The results showed that the traditional food industry of soybean chips from Malang, Indonesia has the potential to be a superior product to the global market. Besides, high ingredient in vegetable protein, soybean chips of Malang city also has variety of flavors. The presence of KOPTI Bangkit Usaha in the SMEs of soybean chips are expected to be in control of business continuity that could potentially be nominated for a sustainable competitive advantage.*

Keywords: SCA, SMEs of Traditional Food

I. Introduction

ASEAN Economic Community (AEC) has begun at the end of 2015, this has an impact on many foreign products freely in and out Indonesia. Indonesian entrepreneurs are mostly based on traditional SMEs was not ready to welcome the presence of AEC. The preparations should be created so that Indonesian products are not mired in the ASEAN free competition. AEC was declared as the realization of the wishes stated in Vision 2020 which is to integrate the economies of ASEAN to establish a single market and production base together. If businesses Indonesia did not prepare himself both personally and within the context of the business to compete in this market, it will be more and more SMEs Indonesia that will bankrupt because it lost in competition.

The problem often faced by traditional businesses in conquering consumers is the lack of good skills in financial management, marketing, human resources and limitations in terms of innovation and creation. Characteristics of traditional businesses that are generally based family businesses or individual businesses that are often the reason for the existence of such constraints. However, whatever the reason, the problems in the retail business must immediately find a way out so that they are not afflicted by the global business competition. Solutions to overcome the limitations of these capabilities should not only be an appeal, but the real action is needed to help them create a sustainable competitive strategy so that the product is able to compete with foreign products.

As pointed out by sociologist McClelland (2010), in order to achieve the prosperity of a country is required at least 2% of the population to work as entrepreneurs. However, the number of entrepreneurs in Indonesia are often experienced up and down due to many business people who cannot tolerate the risk. Business risk can be classified into internal and external risks. Internal risks associated with the management of a relatively manageable. While external risks related to political, economic, social and cultural shift (Sudarmiati, 2009). To ensure the sustainability of a business, cannot be separated between business risks by competitive strategy. Each entrepreneur will be competing to win the competition with all the risks as a result. Thus, entrepreneurs who do not dare to take the risk, then they must be prepared excluded from the competitive arena.

Malang is one of the cities in East Java that has a lot of micro, small and medium enterprises (MSME) sector both engaged in the food, beverage, and craft. Data from the Department of Cooperatives and SMEs in East Java (2015) showed that the number of SMEs in East Java recorded 6,852,931 units with a workforce of 11,117,439 people. These micro enterprises dominate as much as 95.7%. The large number of micro enterprises based on average traditional business is what drives the need to pursue a strategy of empowering the right to increase the Domestic Revenues Regional Brutto which will ultimately impact positively to the increased Gross

National Income. The high Gross National Income which is the one indicator of the prosperity of society in a country when compared with the total population. Thus the hard work of various stakeholders is needed, including the traditional small business empowerment through the creation of competitive strategy to meet global market.

Soybean chips is one of the traditional foods in Malang that are made from fermented soybeans. As a typical product of Malang, soybean chips production process is still done manually, untapped technology. Similarly, strategies marketing of industrial, soybean chips craftsmen still use direct marketing to consumers in the city of Malang. Limitations of human resources is thought to be one reason for the low performance of the traditional food industry. This study aims to (1) describe the competitive strategy of traditional food products of soybean chips in Malang, East Java (2) analyze the competitive strategy based Sustainable Competitive Advantage that can be applied to the traditional food industry soybean chips in the city of Malang in facing global competition.

Competitive Strategy Based on SCA

Many critics relating to the performance of entrepreneurial Indonesia, one of which is the lack of competitive strategy. This is caused by the presence of Indonesian culture that believes living in harmony and peace instilled since childhood. When examined further, the actual culture living in harmony, tolerance with each other, be fair, and so not a bad thing. As the nation's dignity, such behavior actually need to be cultivated in order to thrive in Indonesian society. So what to do with the competitive strategy? Competitive strategy is the company's effort to grab the attention of consumers from competitors. Who are our competitors? Our competitors are similar companies, in the sense that the resulting product of the company is equal to the product we produce. There are times when our competitors are companies that se-level, for example, are both small, medium and large. Yet, it could also our competitors is a different company level, for example, our small businesses and our competitors are medium or large businesses. Under these conditions it is clear that absolutely necessary "strategy" to win the competition. Many examples of failed attempts because they do not have a powerful competitive strategy to grab the attention of consumers. Even companies that produce original products once, and have to spend big on R&D cannot compete with products that are replicas or imitations.

Porter (1985) stated that "strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of different activities from Reviews those used by competitors". Strategy is about competitive position, about differentiating yourself in the views of consumers, the value added by the difference of activities undertaken competitors. Competitive advantage is a position where a company control over a business competition arena. The purpose of competitive strategy is to counter the strength of the environment in the interest of the company. Component according to Porter's competitive advantage include: (1) cost leadership, and (2) differentiation. Meanwhile, the results of research Mazzarol and Soutar(1999) stated that the competing strategies for educational institutions including information technology, the reputation of the institution, the institution's profile, the cooperation and expertise of human resources. Hatch and Dyer (2004) stated that the human capital and learning becomes a source of creating competitive advantage of an organization. Furthermore, they explained that the selection of employees, development and deployment (deployment) employees are proven to improve the performance of the company. The same is stated by the results of Khandekar and Sharma (2005) research which stated that the managing capability of human resources to create a source of sustainable competitive advantage. The results stated a similar study by Pfeffer (2005) that can be created sustainable competitive advantage through effective human resource management. Based on some of the results of these studies indicate that human resources are potentially used as a competitive advantage. This shows that the human resource is a decisive component in improving corporate performance.

In contrast to the results of research Aaker (1989), it showed that the key to creating a sustainable competitive advantage lies in the assets and skills. While Hall (1993) in his research stating sustainable competitive advantage can be established from the link between intangible resources and capabilities. Intangibles resources consist of a product or company's reputation, trademarks, distribution networks, the know-how of employees, culture, ability to innovate, and others. From these two studies indicate that in addition to human resources, the resources of other companies also potentially be a source of sustainable competitive advantage, including the intangible assets.

II. Methods

This study is descriptive qualitative. The research location is the center of industry soybean chips in Malang, East Java, Indonesia. The research subjects consisted of traditional soybean food producers, distributors, suppliers and end customers. The data collection of research conducted by interview, observation and documentation. Instruments used form of interview, observation and document sheet. Grating instrument consists of five aspects namely capital, raw materials, production processes, and marketing and human resource

competence. Data analysis techniques implemented with models of Miles and Huberman (2014) includes three steps: data reduction, data presentation and conclusion. Reduction of data that summarizes and choose the subject matter to help researchers gain a clear picture of the focus of research. Presentation of data means exposure of research data in the form of narratives, charts, graphs, flowcharts, and so on to describe the phenomenon that occurs in the community. While the conclusion is the final stage of the process of qualitative data analysis which contains answers from the formulation of research problems.

The following is the decision making process to determine a sustainable competitive advantage strategy for traditional food products:

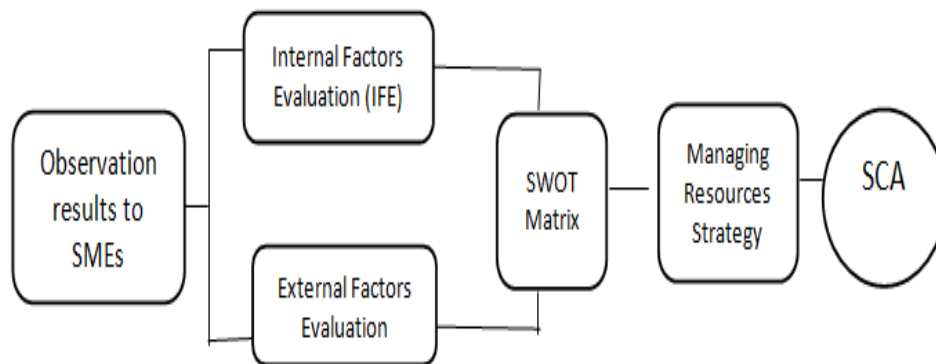


Figure 1. Decision Making Process of Sustainable Competitive Advantage
(Source: Wheelen and Hunger Modification, 2012)

III. Research Findings

The findings of this study consisted of: (1) a general description of traditional food industry centers soybean chips in Malang, (2) analysis of the internal and external factors, and (3) strategy of Sustainable Competitive Advantage (SCA).

Overview of Industrial Sentra Soybean chips in Malang

Malang is one of the cities in East Java which has a population of 857891 density (BPS Malang, 2014) with a growth rate of 3.9% per year. With an area of 110.06 km², Malang city has a population density of 7,800 inhabitants / km². Malang city's economy is supported by a wide range of sectors including the service sector, industry, trade, and tourism. Malang is the second largest city in East Java after Surabaya. Many attractions are located in the city of Malang such as cultural tourism, industry, and education. In the cultural sector, Malang town has many attractions such as ludruk, ketoprak, reog, kuda lumping, and so on.

In the education sector, Malang city is one of education center in East Java. Dozens of colleges located in Malang city, both public and private. Some of them are State University of Malang (UM), Brawijaya University (UB), University of Maulana Malik Ibrahim, University of Muhammadiyah Malang (UMM), National Institute of Technology Malang (ITN), the Merdeka University Malang (Unmer), Islamic University of Malang (UNISMA) and etc. The impact of many of these colleges is that many small businesses either engaged in the sector of goods and services to meet the needs of major customers are students.

In the industry sector, Malang city has plenty of food industry, beverages, rattan, furniture, ceramics, craft mask, and others. Soybean chips is one of the traditional foods typical of the Malang city produced by the producer of soybean chips in the center of industry in Sanan, Malang. Known for industry centers in these locations gathered hundreds of soybean producers and soybean chips in carrying out their daily activities assisted by a cooperative industry (KOPTI) named Bangkit Usaha. Facilities provided KOPTI Bangkit Usaha for business continuity soybean chips include capital requirements, raw material requirements soybeans, soybean skin peeler machine, as well as the various needs of auxiliary materials for making soybean and soybean chips. The number of artisans who are members of KOPTI Bangkit Usaha up to 2015 is 368 companies (Source: Document KOPTI Bangkit Usaha, 2015).

Analysis of Internal and External Factors

To initiate a sustainable competitive strategy analysis (Sustainable Competitive Advantage) on Sanan soybean chips enterprises in Malang city, than to identify internal and external factors. Internal factors are

factors which the strength and weakness enterprises chips in Malang soybean compared with similar products from other cities. Meanwhile, external factors are factors into opportunity and threats enterprises chips in Malang soybean compared with similar efforts of other cities. Here are the results of the identification of internal factors in the Sanan Malang.

Table 1. Internal Industry Factor of Soybean Chips in Malang

No	Internal Factors	Weight	Rating	Score
A	Strength			
1	Soybean chip is known as a rich-contained protein	0.08	3	0.24
2	The packaging is interesting, rounded and arranged in a small tin	0.05	3	0.15
3	There are 5 variance (original, cheese, barbeque, shrimp, sweet spicy)	0.08	4	0.32
4	Reachable price	0.05	3	0.15
5	Strategic location by public transportation	0.10	4	0.40
6	Owned cooperative which could help SME	0.30	4	0.12
		0.66		1.38
B	Weaknesses			
1	Indonesian is still used for the packaging	0.03	1	0.03
2	Information contained in its packaging has not reached the standard of law	0.05	2	0.10
3	There are many unregistered brands	0.03	1	0.03
4	The durability of the product is only 1 week	0.05	1	0.05
5	There is only offline marketing	0.08	2	0.16
6	Internet has not yet been used as marketing and promotion media	0.10	1	0.10
	Sub Total	0.34		0.47
	Total	1		0.91

Meanwhile, the external factors are:

Table 2. The External Factors of Soybean Chips Industry in Sanan - Malang

No	The External Factors	Weight	Rating	Score
A	Opportunity			
1	It can be sold through offline and online media	0.10	4	0.40
2	The durability of the product can be overcome through opening branch nearby the segmented customers	0.08	3	0.24
3	There is a good cooperation between local government and producers cause soybean chip become the iconic product of Malang	0.09	4	0.36
4	The existence of KOPTI Bangkit Usaha has the potential to enter both national and international markets	0.15	4	0.60
5	Cooperation with tour and travel help the producers in introducing soybean chip to the tourists	0.10	4	0.40
		0.52		2.00
B	Threats			
1	The characteristics of soybean chips has short durability	0.10	2	0.20
2	The threat of soybean chips product from out of Malang	0.08	2	0.16
3	The dependence on imported raw material	0.10	2	0.20
4	The human resource has no knowledge the production process and its marketing	0.15	2	0.30
5	The threat from foreigner as the investors and raw material suppliers	0.05	1	0.05
	Sub total	0.48		0.91
	Total	1		1.09

From the analysis of internal and external factors above, it is known that although the soybean chip is a traditional food products, but it has the potential to be appointed as a superior product or even a country. Soybean is a native Indonesian products that contain a lot of vegetable protein needed for human health. As products based on local wisdom, soybean much liked by people both inside and outside the country. The presence of Internet media provides an opportunity to bring Indonesian soybean chips are known by people all over the world.

SWOT Analysis as Media Strategy Formulation

Based on the analysis of internal and external factors in Tables 1 and 2 above, it can be determined the coordinates of the SWOT matrix is 0.91: 1:09. SWOT matrix so that will be shaped as follows:

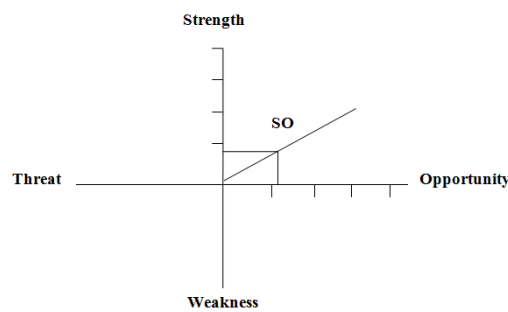


Figure 1. SWOT Analysis Matrix

Based on Figure 1 above it can be seen that the competitive strategy that is appropriate for the product soybean chips is SO strategy (Strength - Opportunity). This means that the traditional food industry competitive strategy soybean chips can be done by using force as a means to seize opportunities. Aspects of the forces that have been identified indicates that soybean chips Malang (1) containing vegetable protein needed human body, (2) the appearance of attractive products, (3) the price is very affordable, (4) have five flavors which are original sweet, spicy, barbeque, grilled chicken and cheese (5) easy location access and (6) had the Cooperative as the lead agency business continuity. By using six such power, then the chances to be achieved include: (1) to be sold through the media offline and online, (2) The nature of the product that are not durable can be solved by opening an agency in some areas approaching segment of the market, (3) The cooperation both between manufacturers and local government will make soybean chips as iconic product of Malang, (4) to reach the market at home and abroad and (5) Cooperation with tour and travel help manufacturers introduce soybean chips to tourists.

Sustainable Competitive Advantage (SCA) for the Traditional Food Products

Sustainable Competitive Advantage is a competitive strategy that has properties not easily replicable and can last a relatively long time. In this study the competitive strategy SCA is developed based on internal and external analysis on traditional foods business soybean chips in Malang. Before being lowered into the SCA competitive strategy, internal and external factors are analyzed by using SWOT as a medium for creating strategy formulation. The analysis showed that the strategy SO alleged to be the starting point for creating a marketing strategy.

As stated by Porter (1985) found that competitive strategy is a strategy to defeat an opponent in order to win. Based on these opinions, it is of some components of strength (strength) that could potentially be used to defeat opponents at once seize opportunities (opportunities) of which is the presence of Industrial Cooperative (KOPTI) Rise Enterprises as controller soybean chips industry sustainability. HR weakness of traditional businesses in the city of Malang soybean chips can actually be solved by the efforts of human resource development by Bangkit Usaha, such as introducing the Internet for media promotion and online marketing, designing packaging and trademark registration. More sustainable competitive strategy proposed in this study can be seen in the following table.

Table 3. Sustainable Competitive Advantage Traditional Food Soybean Chip

No	Competitive Strategy	SCA Indicators	Competitive Strategy based on SCA
1.	SO strategy is making a use of Strength factors to achieve (Opportunities)	<ul style="list-style-type: none"> a. Hard to be imitated by competitors b. Conducted continuously in a long term 	<ul style="list-style-type: none"> a. Optimizing the role of cooperative as the energy source to create synergy b. Increasing the quality of human resource in term of technology c. Using internet as a promotional and marketing media d. Increasing the number of sales both offline and online. e. Maintaining innovation to increase the production f. Registering the brand and deals with PIRT as the security

IV. Discussion

The result showed that the competitive strategy that is appropriate for traditional food industry in the city of Malang soybean chips is SO strategy (strength-opportunities). This means that in order to win the competition with soybean chips product from another region or country may use force as a component of media competing to seize market opportunities. Competitive strategy based Sustainable Competitive Advantage (SCA) is a competitive strategy that is difficult to duplicate by competitors and implemented in a sustainable manner so that competitors' products do not have a chance to grab the attention of consumers (Porter, 1985). This is relevant to the statement of Levy and Weitz (2007) "Establishing a competitive advantage means that the retailer, in effect, builds a wall around its position in a retail market, that is, around its present and potential customers and its competitors. When the wall is high, it will be hard for competitors outside the wall to enter the market and Compete for the retailer's targeted customers ". Building a competitive advantage means that retailers build a wall around its position in the retail market, which is about potential customers and competitors. When the walls were built high, it will be difficult for competitors outside wall to enter the market and compete.

Components of strength that gives energy to SMEs traditional food in the city of Malang to create a sustainable competitive advantage include: (1) Optimizing the role of cooperatives as a source of energy to build competing forces (synergy); (2) Improving the competence of employees in the field of technology; (3) Utilizing the Internet as a medium promotion and marketing; (4) increase sales turnover through offline and online marketing (5) Do not stop innovating to improve the quality of production; and (6) Registering brands and take care of PIRT as a safety. When observed the role of human resources in each component were very prominent. However, limited educational background, knowledge and skills of resources in SMEs, requires the presence of an organization that embodies their aspirations in achieving its objectives. The presence of cooperatives as controller to the sustainability of traditional food SMEs in the city of Malang, is very necessary. As stated in article 1 of Law Number 25 Year 1992 regarding cooperatives, that the cooperative is a business entity consisting of a person or legal entity with the bases cooperative activities based on the principle of cooperation as well as people's economic movement based on family principles.

Through cooperative weaknesses of traditional food SMEs can be solved. Observations show that most manufacturers soybean chips in Sanan Malang do not have a registered trademark. Law No. 15 of 2001 Article 1 states that the brand is a sign in the form of images, names, words, letters, numbers, color composition, or a combination of these elements, having distinguishing features and used in the trading of goods or services. Functions include the brand for manufacturers to shape the corporate image, establish customer loyalty and protect the product from competitors who are not responsible. While the function of the most important brands for consumers is easier for consumers to identify and differentiate products.

In addition to the brand, any food product is expected to also have a production certificate from the Regional Health Service as stipulated in Rule Head of National Agency of Drug and Food of the Republic of Indonesia Number HK.03.1.23.0412.2205 2012 on guidelines provide Certificate of Household Food Production Industry (SP-PIRT). PIRT is valid for 5 years and can be extended as long as meet the requirements. It does not own certificate PIRT by traditional food manufacturers prevent the product can be marketed through minimarket, supermarkets and hypermarkets. During this marketing soybean chips in Malang only sold directly to end consumers and to distributors using distributor-owned brands. This is certainly an impact on the increasingly high price of selling products to consumers and vice versa number of advantages for producers lower soybean chips. Another effect is the craftsman cannot build a brand image in the minds of consumers. Society is not familiar with the brand manufacturers, but is more familiar with the brand distributor.

In the era of regional autonomy the port on the maintenance procedures set by each local government city / county. In Malang city can do in the maintenance port on the Regional Health Department at no cost (free). Procedure maintenance port on to the city of Malang is as follows (1) Following Extension Food Safety; (2) Fill out the application for a license PIRT; (3) Copy of ID, one sheet; (4) Two photos of 3 x 4, 3 pieces; and (5) including the design label Food / Beverages. Exceptions to the request cannot be fulfilled if the food is produced in the form of: (1) Milk and processed products: (2) Meat, fish, poultry and processed products that require process or frozen storage: (3) canned food: (4) baby food: (5) Beverages alcoholic: (6) of bottled water; (7) other foods that must meet the requirements of SNI; (8) other foods set by the Food and Drug Supervisory Agency (BPOM).

Still closely associated with the brand that is the packaging. There are requirements that must be met to create packaging. As stipulated in the Law of the Republic of Indonesia Number 7 of 1996 on Food, that everyone who produces food for distribution are prohibited from using any material as packaging which is expressly prohibited or which can release contaminants that harm or endanger human health. Materials used as food packaging but unknown implications for human health, must first be examined security.

Soybean is one of Indonesian products that contain high vegetable protein. Even consuming a lot of soybean, a person can avoid high cholesterol diseases and diseases of obesity. Therefore, soybean products have the disadvantage of not durable, then no innovation to make old age more soybean is to make it crispy soybean.

Expected products of Indonesia can compete with similar products in the era of global competition later. Factors opportunities (opportunities) to enter the market of local, regional, national, very large. Even if the quality of their products so that improved product durability could be longer, it can enter foreign markets. To be able to enter overseas markets in addition to product quality, also need to fix the problem of packaging and brand. Brands that have not registered already clearly cannot market products to other stores let alone abroad. Knowledge of offline and online marketing are needed as a provision creating a competitive strategy based technology.

Solutions to problems of SMEs traditional food in the city of Malang empowerment component strength (strength) ranging from ownership of the brand, enhancing the competence of human resources in the field of technology through the use of cooperative Rise Enterprises as controlling the survival of SMEs is supported by several studies, such as Barney (1986) Barney (1991), Hall (1993), Ireland (2003), Hatch and Dyer (2004) and Sudarmiatin (2010).

Barney (1986) stated that the source of competitive strategy based SCA can be taken from the culture of the organization. So according to Barney, the uniqueness of the product, the characteristics of local communities, traditional habit can be a buyer appeal. Uniqueness is not owned by people in other regions or even other countries. Soybean chips is a kind of original products based on local wisdom Indonesia's potential as a sustainable competitive advantage (Sustainable Competitive Advantage). Furthermore, the results of research Barney (1991) also states that the resource companies that can potentially be used as a source for creating a sustainable competitive strategy. These resources include level of uniqueness of the product, a strong will, possession of skill and ownership mark, patent and attractive packaging, which generally can be grouped in tangible and intangible assets. Other relevant research results are Hall (1993) suggest that to create a Sustainable Competitive Advantage can be used intangible resources. Branding, packaging, product or company image, networking, ability to innovate, employees know-how, culture, data is based, and so also can be a source of sustainable competitive advantage (SCA).

In line with Barney, the research results Ireland (2003) also showed that the entrepreneurial mindset, entrepreneurial culture and entrepreneurial leadership, resource management strategies, develop innovative creativity is an important dimension to strategize entrepreneurship. Next, Hatch and Dyer (2004) in his research stating that human capital significantly affect learning and organizational performance. Man is the key to success or failure of a business. Large capital, advanced equipment, excellent product quality, and so would be meaningless if the man less innovative in creating marketing strategies. The latter is a result of research Sudarmiatin (2010) against the itinerant vegetable seller indicates that the formation of cooperative associations to be a medium to create a sustainable competitive strategy. Through the cooperative is expected all the aspirations and needs of members are met, such as capital requirements, raw material requirements, marketing, maintenance of patents, and so forth. In addition, the cooperative advantages compared with other alliance institutions is that the cooperative is one form of business entity incorporated under the law, so that cooperatives can act on behalf of the law, and not on behalf of individuals. The purpose of cooperatives is to promote the welfare of members in particular and society in general, and participate in developing national economic order in order to realize an advanced society, just and prosperous based on Pancasila and the Constitution of 1945.

V. Conclusions and Recommendations

Based on the analysis of research and discussion above, there are number of conclusions. First, to welcome the era of the free market competition for SMEs in East Java should be equipped with the ability to develop strategies to compete based Sustainable Competitive Advantage (SCA). The most important competencies that must be owned SMEs traditional food to meet global marketing them is the mastery of technology both for production and marketing.

Second, ownership of PIRT is a must because it will facilitate the marketing strategy either through a direct path to the final consumer as well as through distributors. Modern markets such as mini markets, supermarket, and hypermarket will not be willing to accommodate food products that do not have a port on. Handling PIRT in Malang can be done for free through the Regional Health Office.

Third, to encourage consumers' loyalty, the product of soybean chips in Malang need to have a registered mark to avoid counterfeiting. To demonstrate the originality of the product is needed trademarks that can be maintained through the Directorate General of patent as stipulated in the Law of the Republic of Indonesia Number 15 of 2001 on the brand.

Fourth, the status of Malang city as a tourist city at the same time educational city in East Java has a great opportunity to raise a small industry as one of the assets of a tourist attraction. Involvement of travel services to introduce soybean chips product as an icon in the city of Malang is a form of empowerment traditional retailers that ought to be realized. In order to welcome the era of free market competition, all elements of local governments need to close ranks to prepare the local industry in competing with foreign products into the Indonesian market.

Fifth, the presence of co-operatives in the midst of soybean chips producers in Malang greatly help the SMEs to realize the three components needed to create a sustainable competitive strategy. Thus it centers managed by the cooperative industry is the potential to be the best component of sustainable competitive advantage in the traditional food industry soybean chips in Malang.

In connection with some of the above conclusions, the suggestions to the local government, specifically the Manpower cooperatives and SMEs Malang city include the need for encouragement, motivation and mentoring to realize the competitive advantage in SMEs crispy soybean. Low educational background and lack of knowledge about the technology requires patience and willingness in mentoring. Collaborative efforts with the professionals necessary to improve the performance of SMEs in Malang, primarily SMEs of soybean chips.

Meanwhile, recommendations for action to create a competitive advantage of traditional food soybean industry in order to meet the era of global markets are: (1) the traditional business operators of soybean chips in Malang immediately conduct internal consolidation aided by the Cooperative as a coordinator. Controlling activities of the local government of Malang such as Department of Cooperatives and SMEs Malang; (2) conducting training, consulting and mentoring to increase the competence of human resources at SMEs soybean chips in Malang. Training, consultation and assistance can be implemented through cooperation with universities and the Regional Health Service of Malang; and (3) conducting regular monitoring and evaluation of the sustainability of the competitive strategy along with its results.

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