



Collaborative Strategy to Maintain Sinona Indonesia's Financial and Operational Sustainability in the New Normal Era

Noviaty K. Darmasetiawan^(✉) and Henrycus W. Santoso

University of Surabaya, Surabaya, Indonesia
noviatykds@staff.ubaya.ac.id

Abstract. This study aims to analyze (1) the pentahelix network collaboration strategy carried out by Sinona Indonesia in the new normal era; (2) the role of the collaboration strategy in the pentahelix network in maintaining the financial and operational sustainability of Sinona Indonesia in the new normal era; and (3) the pre-conditions needed to develop the pentahelix network collaboration strategy carried out by Sinona Indonesia in the new normal era. The research method used was a phenomenological qualitative method. Qualitative data were obtained using in-depth interviews with the owners and employees of the Sinona Indonesia company, complemented by the triangulation method with the pentahelix carried out by Sinona Indonesia. The results show that (1) the pentahelix network collaboration strategy used by Sinona Indonesia in the new normal era can increase Sinona Indonesia's capabilities, especially in synergizing in increasing capabilities, especially in overcoming the crisis period towards the new normal era; (2) the strategic role of collaboration in the pentahelix network strengthens Sinona Indonesia in the four management pillars to be able to maintain Sinona Indonesia's financial and operational sustainability in the new normal era; (3) The pentahelix network collaboration strategy used by Sinona Indonesia in the new normal era requires preconditions in the form of trust and willingness to share in the network in order to achieve a synergy.

Keywords: Collaborative strategy · Trust · Willingness to share · New normal era

1 Introduction

MSMEs are the backbone of the national economy. They are known for a major role in economic activities, the largest employment providers, important players in the development of the local economy and community empowerment, creators of new markets and sources of innovation, and contribute to the balance of payments. According to [1], MSMEs have limitations in various ways, including limited managerial capabilities to limited management of marketing information, market reach, work networks, business capital, finance, strategic business locations, and human resource motivation in maintaining, improving, and developing MSMEs' ability to achieve financial and operational

sustainability. Financial and operational sustainability is also aimed at improving and developing competitiveness. Therefore, it demands a collaboration strategy, namely the partnership of various parties.

Financial and non-financial benefits will be obtained from collaboration and synergy with stakeholders. Because as expressed by [2], the existence of a cluster can increase competitive advantage and regional competitiveness and increase the profits generated as a means of development, transfer, and application of knowledge, which eventually can increase competitive advantage [3]

This is supported by [4], that said the creation of competitive advantage is due to collaboration that produces a synergy [5].

Sinona Indonesia, is one of the MSMEs engaged in food processing established in 2020 in the Nganjuk Regency. As one of the MSME business units, Sinona Indonesia realized that since the pandemic, although its MSMEs can still run, but because of deteriorating economic conditions, people's purchasing power has decreased, and business restrictions from the government due to the implementation of Community Activity Restrictions (PPKM) inevitably has decreased Sinona Indonesia income.

In this new normal era, Sinona Indonesia developed its strategy into a collaborative strategy. With the implementation of this collaborative strategy, Sinona Indonesia has a great contribution to various parties involved in its operational network, including farmers who supply raw food for Sinona to process, merchants in stalls, and distribution channels in the form of *angkringan*. For example, one of Sinona's processed products, Moringa tea, is able to empower moringa trees that were not originally used by the community. To produce Moringa tea products, Sinona utilizes about 20 moringa trees located in Bandung Hamlets. With Sinona processing Moringa leaves into tea, will increase the selling value of moringa leaves to help the moringa farmers directly. Not only Moringa tea, Sinona also produces other processed products such as coffee and *angkringan* that have a large multiplier effect on the community, including community empowerment that does not finish school. And for coffee raw materials, Sinona Indonesia has collaborated with Perhutani. Currently, Sinona Indonesia has more than 5 products spread across 10 cities and several countries in Asia.

Based on the background above, this research is conducted on collaborative strategies implemented by Sinona Indonesia. This study aims to analyze (1) the pentahelix network collaboration strategy used by Sinona Indonesia in the new normal era; (2) the role of the collaboration strategy in the pentahelix network in maintaining the financial and operational sustainability of Sinona Indonesia in the new normal era; (3) the pre-conditions needed to develop the pentahelix network collaboration strategy used by Sinona Indonesia in the new normal era. The research method used was a phenomenological qualitative method. Qualitative data were obtained using in-depth interviews with the owners and employees of the Sinona Indonesia company, complemented by the triangulation method with the pentahelix Sinona Indonesia network partners.

1.1 Collaborative Strategy

The network structure in an industrial cluster implies that partners are necessary to collaborate to bridge structural gaps and conduct effective collaboration [6]. The model of collaboration in groups [7], concerning the involvement of members in groups, revealed

that it is usually because people in the group have various motivations to be involved in the group, such as an understanding of what people are looking for when involving themselves in the group, one of which is the importance of justice [8, 9].

According to social identity theory, the main reason people involve themselves in groups is that they want to be accepted by the group to create and maintain their identity; in other words, the group is used to build social identity. It refers to the process of merging themselves and groups as psychological involvement in a group [7, 10]. It has also been referred to as identification with a group. Group engagement concerns that when people identify more strongly with the group, people will be more willing to act cooperatively, investing time and energy in working to see the group succeed.

Member involvement in clusters can be caused by reasons of the interdependence of business and non-business, where both realize engagement in subcontracting, a collaboration between companies, widespread product imitation, development of key capabilities, technical competence of cluster members, joint social history, geographical proximity, social networks, supportive institutions and infrastructure, cultural background, and to obtain government support [11]. A cluster can be defined as a region within a specific geographic area with a shared focus, sectoral concentration, and corporate combination. Grouping companies are used to facilitate collaboration and utilize each company's different resources and competencies [12].

1.2 Financial and Operational Sustainability

The term sustainability can carry different meanings for different individuals; it is worth clarifying what is meant by the term in this report. Sustainability implies an organizational commitment to two key forms of sustainability, including (1) economic sustainability: which must be financially viable in the long-term, and (2) organizational sustainability: which must build an optimal organizational structure that supports high-quality performance and results in the longterm [13].

Understanding financial and operational sustainability is important to know for anyone who runs a business or business. Financial and operational sustainability is closely related to sustainability management or sustainable management, which can help companies achieve business goals more efficiently. This understanding of sustainability management leads to sustainable things, but all are applied in a management system.

The characteristics of companies that have financial and operational sustainability are: (1) the increasing reputation of the company; (2) the better management of the company; (3) the company's operations are increasingly efficient; (4) low production costs; (5) easy to recruit human resources; and (6) increasingly attractive to investors.

1.3 The New Normal Era

The Covid-19 pandemic cannot be said to be over yet, but life must go on. Surely everyone does not want to continue living with restrictions by continuously isolating themselves at home. It is time for everyone to return to activities, including the business world, wanting to be productive again in this pandemic era. If this is not done, sooner or later, it will have an impact on various sectors, social, cultural, and economic growth

will slow down, the industry does not run, or society will lose income. For this reason, people must begin to adapt to new living habits or called 'new normal life'.

The new normal is a behavior change to continue to carry out normal activities by adding to implementing health protocols to prevent the transmission of Covid-19. In simple terms, this new normal only continue the habits that have been carried out during the implementation of regional quarantine or Large-Scale Social Restrictions (PSBB) and PPKM.

With the enactment of the new normal, everyone again began to do activities outside the home while still complying with health protocols that have been regulated by the government, namely wearing masks when out of the house, often washing hands with soap, and maintaining distance and avoiding crowds to prevent transmission of the coronavirus. Since the outbreak of Covid-19, to avoid transmission, most activities were carried out online, such as meetings held together in a room, now using the Zoom application, as well as teaching and learnings. With the new normal imposed, students will inevitably return to school, of course, with health and security protocols that ensure they are from transmitting the virus.

The new life order can be done after indications of a decrease in the curve of the spread of Covid-19 numbers decreased. Availability of qualified health facilities and strict supervision. This is the responsibility of everyone in facing the new normal amid the Covid-19 pandemic. The government itself has guided by issuing a Decree of the Minister of Health of the Republic of Indonesia number HK 01.07 /MENKES/328/2020 dated May 20, 2020, concerning guidelines for the prevention and control of Covid-19 in office and industrial workplaces in supporting business continuity in the Covid-19 pandemic situation. Management and workers must implement several actions if they set their employees to return to work in the office, starting from leaving the office, arriving at the office, to returning home must comply with all health protocols.

For offices that have implemented the new normal at work, health protocols should also be implemented, including measuring body temperature when entering the workplace room, requiring all employees to wear masks while at work, and a ban on admission for employees who have symptoms of fever/sore throat/cough/cold/shortness of breath. Through the Ministry of Health, the government is constantly socializing and educating the public to understand the health protocols that must be done wherever we are, whether at home, in the office, in schools, places of worship, and in crowded public places such as markets and malls. This new normal aims to keep people productive and safe from the transmission of Covid-19.

2 Research Methods

This research focused on collaborative strategy, especially on MSMEs that seek to maintain financial and operational sustainability in the new normal era. This research is qualitative research, which is complemented by descriptive qualitative research, where the researcher knows the position at the time of data collection in the field and becomes the data interpreter [14], to analyze this topic through the experience, opinion, thoughts, and feelings of with the owners and employees of the Sinona Indonesia company.

The research method used was a phenomenological qualitative method. Qualitative data were obtained using in-depth interviews with the owners and employees of

the Sinona Indonesia company, complemented by the triangulation method with the pentahelix of Sinona Indonesia network partners. The sampling technique used in this research was purposive sampling, a sampling technique from data sourced with a certain consideration [15].

Data analysis techniques used a qualitative method using (1) data reduction, data collected from the field in the form of results in-depth interview and observation, recorded in detail and thorough, then summarized, selected key points, focused on the important things, and sought the theme and the pattern. After that was done (2) display data after the data was reduced, the next step was to perform the presentation of data. The presentation was done in the form of a brief description, making the chart, the relationship between categories, and a flowchart. The last step done was (3) conclusion drawing/ verification is the withdrawal of conclusions and verification (according to Miles and Huberman, 1994 in [15]).

3 Results and Discussion

From the results of research that has been done, it appears that Sinona Indonesia has established pentahelix collaboration in this new normal era. Table 1 shows the partnerships that Sinona Indonesia has carried out:

Table 1 shows that Sinona Indonesia has been working to increase its pentahelix collaboration. The pentahelix collaboration is shown in Fig. 1.

Sinona Indonesia's management has collaborated with UBAYA, especially to develop financial management capabilities and business operations and the development of herbal products. In addition, as a young entrepreneur who pioneers business in food processing, the owner called to contribute to the campus community, especially to students who want to follow in the footsteps of Sinona Indonesia's success in entrepreneurship in the field of agro-sociopreneur. Collaboration carried out in the new normal era is based on mutual trust to share knowledge [16].

Table 1. Partnerships that Sinona Indonesia has carried out

No.	Partner name	Element	Purpose
1.	Moringa farmer	Community	Raw and built-up materials
2.	Coffee industry from various regions	Business Actors	Suppliers, technology transfer
3.	Similar MSMEs	Business Actors	Sharing resources, efficiency
4.	Perhutani	Government	Raw materials
5.	Universitas Surabaya (UBAYA)	Academics	Acquiring knowledge, sharing knowledge
6.	Bappeda and Related Dinas	Government	Licensing
7.	Bank Indonesia	Government	Increased competence, recognition
8.	News coverage	Media	Publications and promotions



Fig. 1. Sinona Indonesia's Pentahelix Collaboration

Furthermore, the improvement of Sinona Indonesia's capabilities is the trigger for the Sinona Indonesia achievement, for example, in 2021, the company won 2nd place in the Road to Fesyar Bank Indonesia Kediri, 3rd Place Hijrahpreneur 2.0., and various other achievements both nationally, and internationally.

Sinona Indonesia has also received guidance from the Health Office and the Department of Industry and Trade, as well as the Cooperative and MSME Office. In addition, Sinona Indonesia has established partnerships and collaborated with various universities, incorporated in Young Entrepreneur Nganjuk, East Java Curation House, BBPP Ketindan e-learning, Export Centre Surabaya, Indonesian Young Farmers Association, and received t Recognition from Bank Indonesia.

The results of collaboration in the new normal era bring benefits to Sinona Indonesia products, such as implementing drying technology through a dehydrated process without sunlight to produce raw material processes with quality and hygiene maintained. In addition, Sinona Indonesia also establishes collaboration with Perhutani, and also the surrounding community to maintain the continuity of the raw materials needed. This is because currently, Sinona Indonesia has marketed its product in 10 cities in Indonesia and 3 Asian countries, so it requires a production capacity of 5,000 (five thousand) kg/month, has more than 8 types of products, which of course requires the participation of more than 20 Moringa planting houses from fostered Moringa farmers. In 2021, Sinona Indonesia has 17 distribution channels consisting of angkringan traders. Sinona Indonesia continues to innovate and develop processed food products and expand several points in Indonesia and abroad until now. Currently, Sinona Indonesia has 3 divisions, namely Sinona Indonesia division, consisting of agricultural products, namely derived from natural products and processed by Indonesian farmers, Sinona Food division, and Sinona Pack Division. This shows the role of the collaboration strategy in the pentahelix network in maintaining the financial and operational sustainability of Sinona Indonesia in the new normal era.

Conditions in this new normal era require being related and helping each other. This is in line with [17] that revealed interrelationships are needed to deal with environmental uncertainty. Each other will strive to transfer knowledge to achieve excellence and competitiveness in industrial clusters.

This condition requires mutual trust, involvement, and a willingness to share [11, 16].

4 Conclusion

From the explanation above, the results show that for Sinona Indonesia, the results showed that (1) The pentahelix network collaboration strategy used by Sinona Indonesia in the new normal era is able to increase Sinona Indonesia's capabilities, especially in increasing capabilities, especially in overcoming the crisis period towards the new normal era. Pentahelix built by Sinona Indonesia consists of collaboration with the government, the community, academics, media, and business actors both similar and different types, as well as mass media. (2) The strategic role of collaboration in the pentahelix network strengthens Sinona Indonesia in the four management pillars to be able to maintain Sinona Indonesia's financial and operational sustainability in the new normal era. The characteristics that have been achieved by Sinona Indonesia that lead to financial and operational sustainability are increasing the reputation of Sinona Indonesia managers and MSMEs, Sinona Indonesia's management is getting better, Sinona Indonesia's operations are more efficient, production costs are lower, and efficient. (3) The pentahelix network collaboration strategy used by Sinona Indonesia in the new normal era requires preconditions in the form of trust and willingness to share in the network to achieve synergy. Trust and willingness underlie the involvement of group members to share and increase the intensity of partnership collaboration formed in the group. However, in the non-business sphere, because the research results show that collaboration can also occur in a non-formal atmosphere between organizations, collaboration and engagement will be more effective if it is also colored by an atmosphere of organizational trust and willingness to share.

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