

Systematic Mapping Study of Business Development Strategies in Small and Medium Enterprises

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ABSTRACT

This study aims to identify and classify scientific publications and conduct a thematic analysis of contemporary literature to develop a comprehensive understanding of the business development strategy of small and medium enterprises (SMEs). The research method used is a systematic mapping study (SMS) for examining scientific publications in the field of business development strategies based on focus and research types over time. SMS summarises evidence to identify gaps in the current research and offer recommendations for future investigations, providing the background for the position of new research activities. Systematic mapping results show that from the 41 scientific publications in the Scopus database of business development strategies, particularly of SMES, focus is given on the study of development strategies with 13 articles (32%), followed by research on sustainable development with 5 articles (12%) and innovation with 4 articles (9.8%). The most widely used research locus is in SMEs with 9 articles (22%), followed by industry with 4 articles (9.8%) and other locus, e.g. incubator businesses, manufacturing companies and small businesses, with 2 and 1 articles. The most widely used paper types are validation research with 20 articles (49%) and evaluation research with 11 articles (27%). The most extensively adopted method is the quantitative method, which was used in 32 articles (78%). The countries that conducted the most research on business development strategies are China, with as many as four articles. Iran, Poland and the European Union with three articles each and Indonesia, South Africa, Taiwan, Russia, Czech Republic and South Africa with two articles each.

Keywords: business development strategy, small and medium enterprises, systematic mapping study

1. INTRODUCTION

Small and medium enterprises (SMEs) currently exhibit development mostly in terms of number. From 2014 to 2016, the number of SMEs exceeded 57.9 million units and expectedly exceeded 59 million units in 2017. SMEs have become the backbone of the Indonesian and ASEAN economies. Approximately 88.8%–99.9% of businesses in ASEAN are SMEs with labour absorption reaching 51.7%–97.2%. SMEs account for 99.99% of the total businesses in Indonesia or as much as 56.54 million units. Meanwhile, data from the National Development Planning Agency, the Central Statistics Agency and the United Nations Population Fund predicted the number of micro, small and medium enterprises (MSMEs) in Indonesia to reach as much as 58.97 million in 2018. The performance of small and medium enterprises (SMEs) has been considered as one of the most important driving forces behind the economies of developed and developing countries owing to the SMEs' multiple

contributions (Raharja and Kostini, 2019). SMEs also as the main pillars of a country's economic activities. Such a statement is based on the role of SMEs in developed countries such as in the United States, Japan, Germany and Italy, as stated by Hudson and Evans (2005, in Kostini and Raharja, 2019)

However, many SMEs in Indonesia did not prosper and even went bankrupt. One survey indicates that such conditions result from the incapability of SMEs to develop businesses, including the lack of ability to prepare financial statements and budgets, insufficient government support (particularly in terms of marketing) and failure to involve banking facilities in terms of business credit application that is reflected as an impact of the lack of ability to compile financial statements.

The results of interviews also indicate that the underdevelopment of SMEs is caused by limited management capacity and human resources, insufficient business planning, lack of budget planning, unorganised investment funds or credit lines, low technology and poor management strategies.

Therefore, cooperation or collaboration for the development and resilience of SMEs should be considered and prioritised for SMEs to aggressively drive the economy of Indonesia. For the development of SMEs, specific strategy and assistance from several parties other than SMEs themselves are required, e.g. government and banks. The government has exerted effort to develop SMEs through various programmes, including different trainings to improve the ability of SME actors to develop their businesses, business credit programmes conducted in cooperation with banks to provide credit services to SMEs in terms of capital and other collaborative programmes with various organisations, such as *DIKTI*, and colleges and universities, e.g. green programmes

In addition to the effort exerted by external parties, SMEs must have an internal strategy for business development. Such strategy is important in improving their innovation and creativity skills. SMEs can select the appropriate strategy if they have the ability to identify their current business conditions. Therefore, SMEs must improve the skills required to conduct business to be aware of their business condition.

With the selection of appropriate business development strategies, SMEs can run and develop their businesses sustainably. Tong, Zhao and Wang (2019) stated that SMEs play an important role in optimising economic structures and social stability. Thus, learning the viability and sustainable development strategies of SMEs in China is necessary. In relation to the condition of SMEs, stakeholders in the development of SMEs in Indonesia must have access to appropriate sources and references on strategies to be performed by either the government, banks or SMEs themselves as the foundation for developing SMEs. This study aims to identify and classify scientific publications and conduct contemporary literature thematic analysis to create a broad and detailed understanding of the business development strategy of SMEs in Indonesia.

To achieve the research objectives, the following research questions must be answered to obtain relevant and accurate findings from electronic databases worldwide.

1. How are the article types and methods of study used?
2. How are the topics developed in each country over time?

2. LITERATURE REVIEW

Pearce and Robinson (2011) indicated that strategy is a large-scale plan with a future orientation to interact with the race conditions to achieve the objectives. Sukristono defined strategy as the process of determining the plan of the top leaders who focus on the long-term

objectives of an organisation, accompanied by drafting a way or an effort to achieve them. Meanwhile, Hamel and Prahalad (1994) described strategy as an action that is incremental (always increasing), continuous and implemented from the perspective of future customers.

Chandler (in Anoraga. 2004) conveyed that strategy is a company's long-term goals and objectives, along with the direction of action and the allocation of resources required to achieve these goals. Strategy is the strengths of resources, capabilities and internal core competencies to achieve a company's objectives in a competitive environment

David (2010) regarded strategy as a common means with long-term objectives to be achieved. It is a potential action that requires top management decisions and company resources in considerable quantities. Porter (2008) considered strategy a crucial tool for achieving competitive advantage.

Strategy formulation is indispensable after knowing the threats faced by a company, its opportunities or its strengths and weaknesses. The formulation of strategies includes determining the mission of a company, its objectives, strategy development and policy guidelines.

In general, the concept of business development includes a process that must be undertaken to advance a business that is being executed. Some businesses develop in terms of capital, others develop through entrepreneurial skills. Several choose to increase sales, and consequently, company profits.

The concept of development has been studied by several researchers. Schumpeter (in Jhinghan, 2005) stated that development is spontaneous and intermittent changes in changing and changing situations balance for the previous time. Hafsa (2000) defined development as an effort exerted by the government, the business world and the community through the provision of guidance and reinforcements to foster and improve the ability of small businesses to become a strong endeavour and be independent.

Brown and Petrello (1976) indicated that business development is the business of an institution that produces goods and services that the community needs. If the needs of a community increase, then business institutions will also increase its development to fulfil these needs in addition to obtaining profit.

Conceptually, the development strategy in the industry context is an effort to conduct analysis of the market conditions of internal good areas, including weaknesses and strengths and external market conditions, namely, opportunities and threats. A strategy in business development consists of the following.

1. Market development strategy. Market development strategies market current products or services to consumers in new market segments and geographic areas.
2. Product development strategy. A company strives to survive, strengthen its position and expand its market share by using additional options for new products or services.
3. Strategy innovation. The innovation strategy aims to achieve premium margins related to the creation and acceptance of new customers, products or services.

Developing or developed businesses have two elements.

1. Elements originating from within (internal parties):
 - a. The entrepreneur intends to expand its business.
 - b. Information or knowledge regarding techniques of producing goods, such as number of items to manufacture and approach to use in developing goods/products
 - c. A budget that supports the scale of a product's insertion and expense
2. Elements outside the stakeholders (external parties):
 - a. Following the development of information from outside the business

- b. External source of funds, e.g. borrowing from an external party
- c. Conditions of the surrounding environment that is conducive to business
- d. Price and quality are the most common strategy elements. This strategy is adopted to produce prime quality products or services with prices that are reasonable or relatively low.
- e. Product range

3. BUSINESS DEVELOPMENT STRATEGY BASED ON MAPPING RESULTS

Incubation strategy can be an alternative to the development of SMEs. Lose and Tengeh (2015) showed that an average of 25 entrepreneurs have graduated from incubation programmes annually in the last 5 years. However, the results of their study indicated that incubation strategies have constraints, i.e. lack of sponsorship, production space, advanced technological facilities (prototype) and expansion to different areas.

In addition, barriers in incubation strategies were also identified (Lose, Tengeh, Maziriri & Madinga, 2016), e.g. insufficient funding, credit facilities, access to external markets, business skills and product selection and design; competition and crime, are key factors that inhibit growth.

Prioritisation strategies for various obstacles in the development of SMEs (Hasibuan, 2015) have been proposed, such as the quality of attribute maintenance strategy for superior products and the diversification of products, to expand market share and increase the competitiveness and sustainability of local SMEs' products.

In addition, Bumberova and Korab (2013) stated that one of the strategies that can be adopted by global SMEs is to rely on development activities in the field of product innovation and diversify the risks into other activities. In terms of changes, this functional strategy primarily involves new areas of technology and human resource development and the ability to benefit from a network of organisations that work together. Furthermore, the 'transition' strategy is the development of precedence through investments in certain business knowledge and/or technical skills of employees.

4. METHODOLOGY

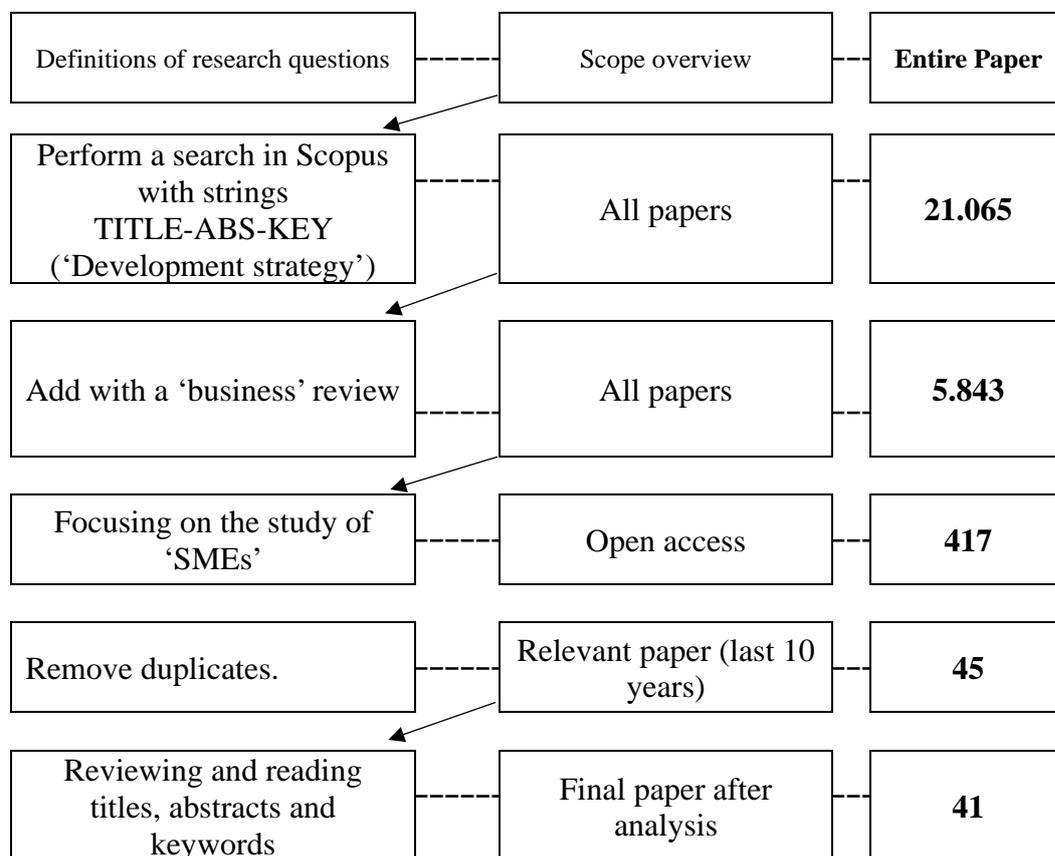
This research uses the systematic mapping study (SMS) approach. SMS aims to identify, evaluate and interpret all available and relevant literary sources related to the research object (Petersen et al., 2015). In SMS, the evidence is firstly summarised; secondly, gaps are identified in the current research to provide recommendations for future investigations; finally, the background positioning of new research activities is provided (Kitchenham et al., 2010).

SMS is used to identify the type of activity conducted in a research. SMS explains research on a high level and maps the research to investigate the research questions in detail (Petersen et al., 2015). That is, SMS can be regarded as a method for obtaining an overview of certain areas of study (Kitchenham et al., 2010) by intensively studying detailed information. To increase the accuracy of SMS, the search and analysis process should be as accurate as possible. This section characterises the data source selection process and the deployment strategy for creating search strings and specifies the exclusion and inclusion criteria.

The current study adopted the search process of Petersen et al. (2015) and Banaeianjahromi and Smolander (2016). In this process, each step has results and a systematic map. The latter is the end result of the mapping process.

The researchers perform an online search of the Scopus indexed electronic database. Scopus is a reputable international library of literature and articles or academic journals. Subsequently, the researchers conduct SMS following the steps presented by Petersen et al. (2015), as shown in Figure 1.

Figure 1 SMS (Searching)



(Sources: Kitchenham, 2004; Petersen et al., 2008; Banaeianjahromi and Smolander, 2016)

Similar to previous researchers, search strings or keywords were created using the strategy of Banaeianjahromi and Smolander (2016), as follows:

1. The first step is to prefill the main keyword.
2. The second step is to examine the research in the field of development strategy.
3. The third step is to look for an alternate keyword to use in the search process.

In the final step of Banaeianjahromi and Smolander (2016) is used to synthesise into a single search string. In the current research, however, Boolean operators *AND* and *OR* are not used during the initial search of the Scopus database because in the first string used, the researchers found that when the combination of strings was 'development strategy' AND 'business', 5,843 article results. When the search string was 'development strategy', 21,065 articles were returned. Thus, the string used in the first search was 'development strategy'. The search string is applied to the search of all parts of the articles, e.g. title, abstract, keywords and publisher, in the Scopus electronic database.

The next step is to identify the articles with exclusion and inclusion criteria by separating relevant and irrelevant articles with the research theme (Petersen et al., 2015), which is one of the mapping study activities, i.e. excluding articles that are irrelevant and including relevant articles. This research formulates exclusion and inclusion criteria to facilitate mapping. The exclusion and inclusion criteria applied by the researchers are listed in Table 1

Table 1 Inclusion and Exclusion Criteria

Inclusion	Exclusion
1. Research focused on development strategy	1. Papers that do not discuss development
2. Only articles and journals with open access	2. Languages other than English
3. Only articles or journals that are final	3. Dissertation, thesis, book section, product description, presentation, work report, trade literature, editorial notes, unclear literature
4. Only articles from scholarly journals	4. Papers that have not passed peer review
5. Papers that have passed peer review	5. Duplicate research

5. RESULTS AND DISCUSSION

From the results of the mapping of articles on business development strategies grouped using Microsoft Excel with focus categories and research locus, paper types, research methods and research development in various countries.

• **Research Focus and Locus**

From the articles examined, the following research foci are identified: sustainable development, development strategy, business incubation, incubation inhibitors, entrepreneurial behaviour, construct research competing models, export, weaknesses of institutional communication, business development, family entrepreneurship, enterprise resource planning, balanced scorecard, success perception, innovation, entrepreneurship, corporate information systems, performance of incentive, strategies and a circular business model, management support, employee development and production.

Figure 1 shows the number of articles with focus on different research types, with as many as 41 articles. Among which, development strategy has 13 articles (32%), sustainable development has 5 articles (12%), innovation has 4 articles (10%), export has 2 articles (5%), business development has 2 articles (5%) and other research has 1 article each (2.4%).

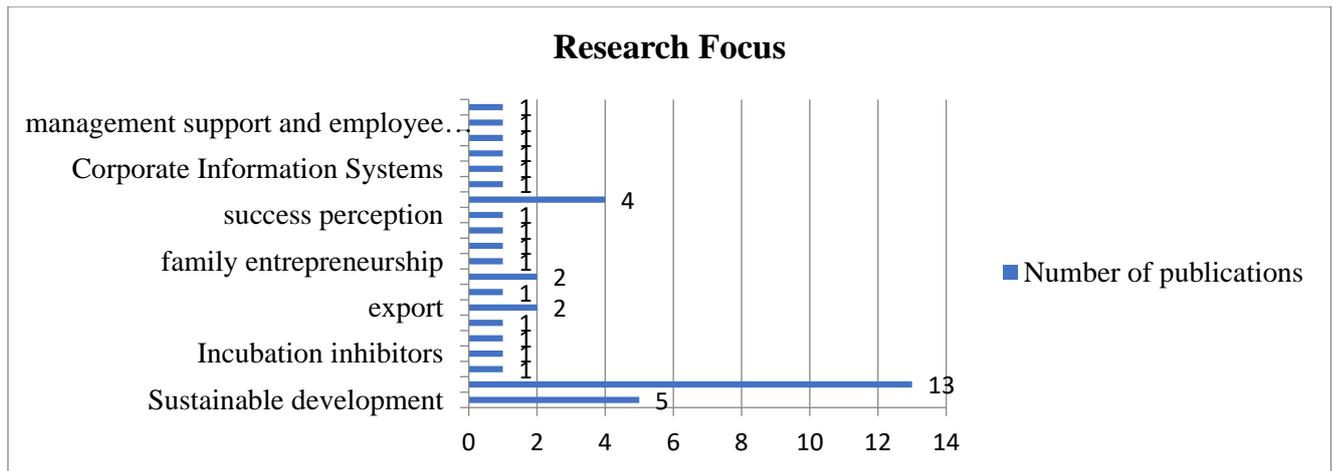


Figure 1 Research Focus

Each research activity in the field of business development strategy is conducted in a particular location or locus to obtain information and provide improvement recommendations in the location/locus of the research. The locations obtained from the 41 reviewed articles are shown in Figure 2. The image illustrates the distribution of research selected by some researchers.

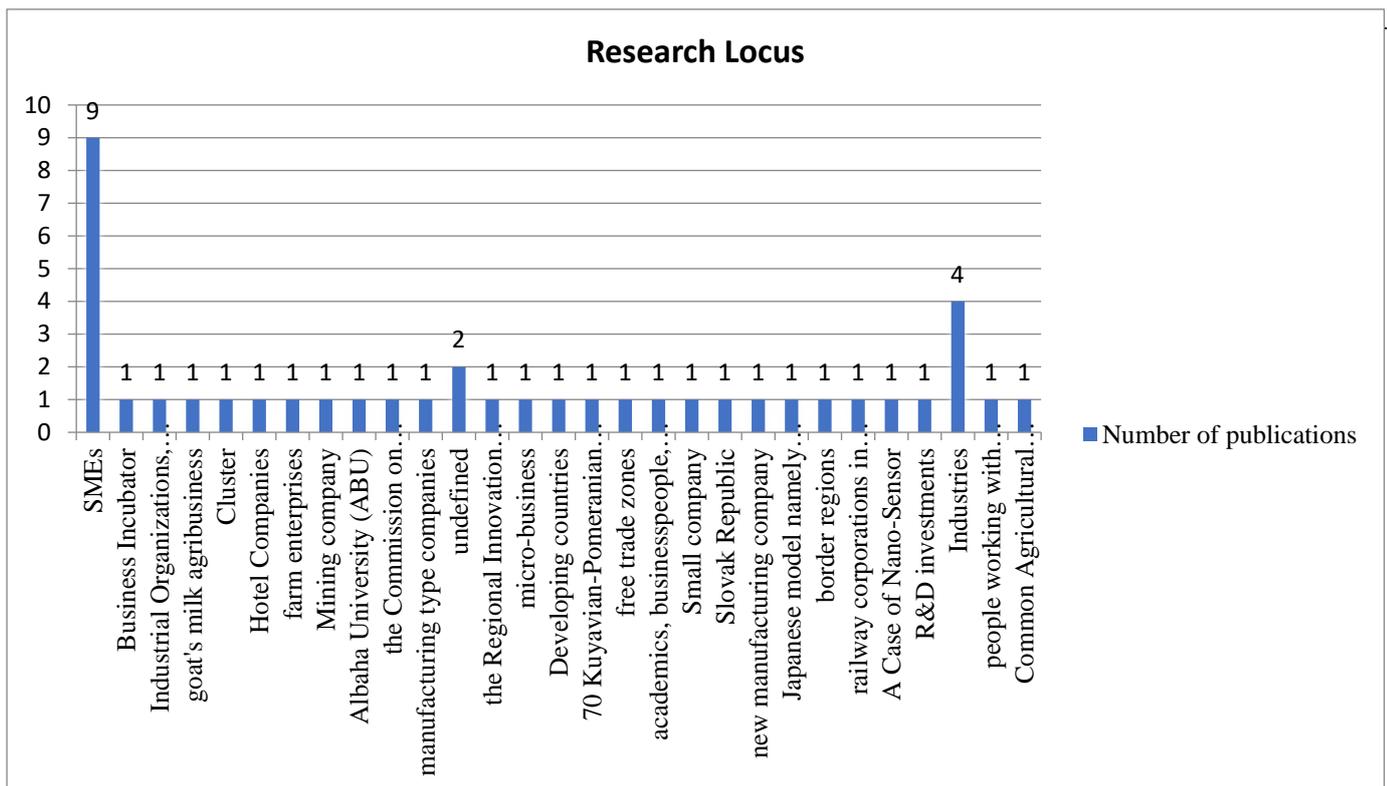


Figure 2 Research Locus

● **Research Methods**

The further research question is about paper type and research method. The researchers refer to Petersen et al. (2015), where studies are grouped into five categories: validation research, evaluation research, solution research, philosophical paper and experience paper. The results of the mapping study of 41 articles indicate that validation research has as much as 20 articles (48.9%), evaluation research has 11 articles (26.8%), solution research has 6 articles (14.6%) and philosophical papers has 4 articles (9.8%). The type experience paper is not found in this study.

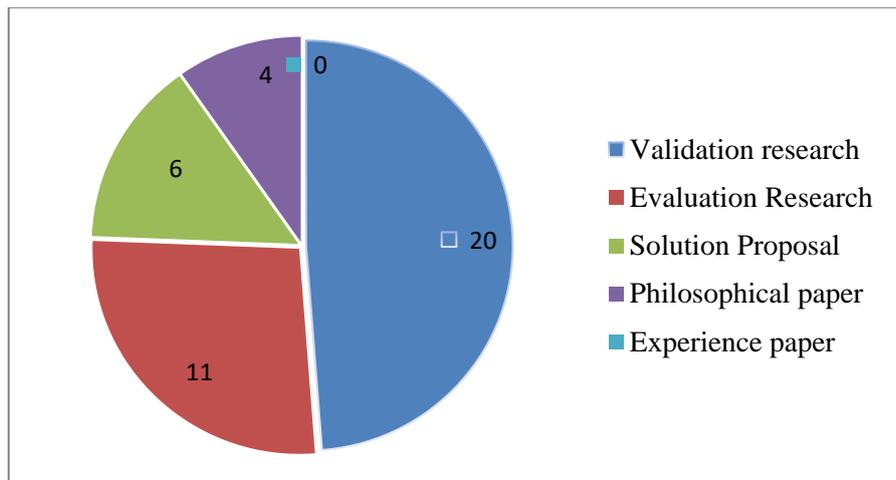


Figure 3 Paper Types

Further classification of research methods (Figure 4) used in the research of business development strategies obtained from the most widely used mapping results is the quantitative method with 32 articles (or 78%), followed by the qualitative research method with as many as 9 articles (or 22%). Mixed methods are not found.

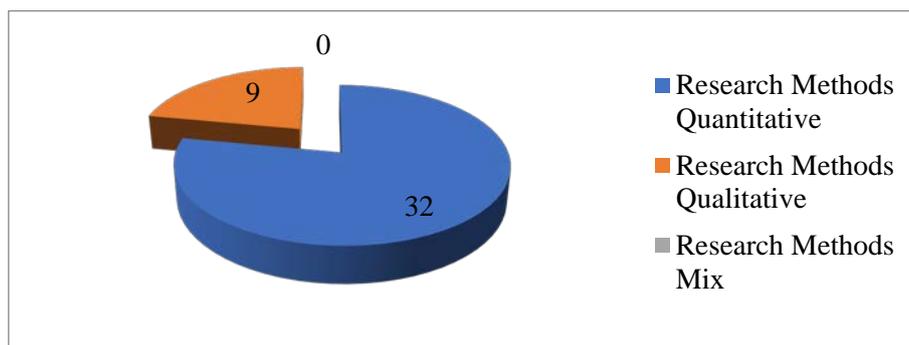


Figure 4 Classification of research methods

• **Trend of publication**

This section presents the description or results of the mapping study on Question the trend of publication in each country. The mapping results show that amongst the 41 mapped articles, 4 research (articles) are on business development strategies conducted in China, followed by 3 articles each in Iran, Poland and the European Union, and 2 articles each in Indonesia, South Africa, Taiwan, Russia, the Czech Republic and South Africa, as presented in Figure 5. Figure 6 shows the development of publications in each country.

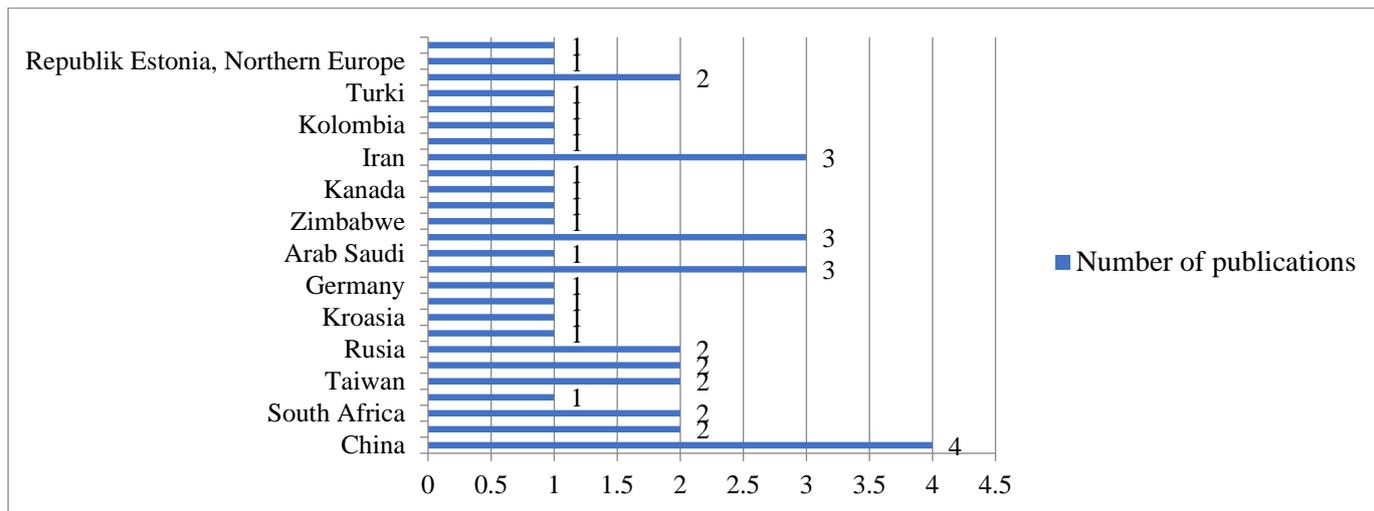


Figure 5 Development of publications in each country

The following are the findings regarding the development of year-over-year publications derived from the mapping of the articles published in the electronic Scopus media database in the last 10 years, starting from 2010. The yield shows that research on business development strategies for SMEs was mostly conducted in 2018, with as many as 9 research articles, followed by 2016, 2017 and 2019. These findings are presented in detail in Figure 5

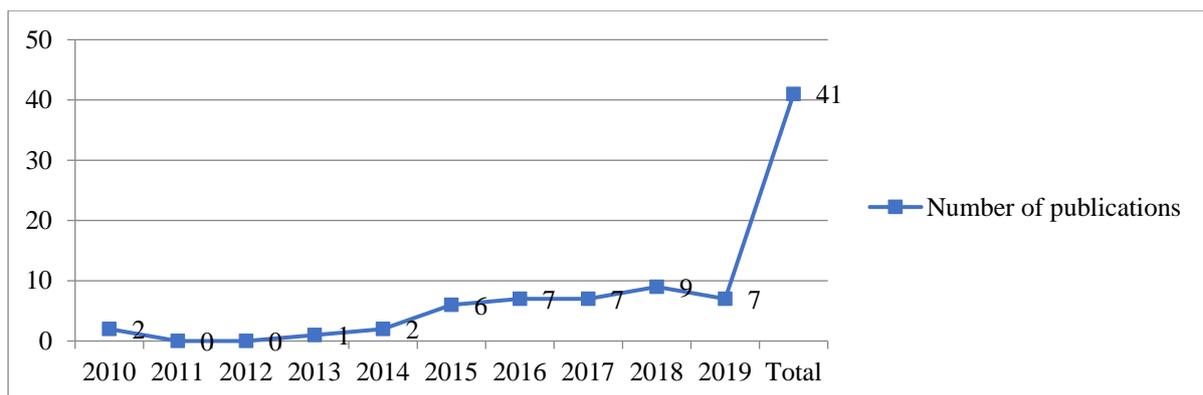


Figure 6 Development of publications from year to year

6. SUMMARY AND IMPLICATIONS

The results of the mapping of 41 research articles on the business development strategies of SMEs show and explain several obstacles faced by SMEs, including insufficient funding,

credit facilities, access to external markets, business skills and product selection and design; competition and crime, are key factors that inhibit the growth of SMEs and of the low technology used. However, this situation can be solved through the cooperation and collaboration between the government, businesses, practitioners, bankers and academics to improve the ability of SMEs in business development. Issues to note in business development strategy include the quality of attribute maintenance strategies for superior products and the diversification of products to expand the market share, competitiveness and sustainability of local products of SMEs. In addition, the strategies presented in some studies increase market share through the export of supported infrastructure provision by the government; however, SMEs also need to obtain subsidies for the jobs they provide and the requirements of consulting agencies to direct and nurture SMEs in developing their businesses that can possibly be facilitated through incubator businesses or similar organisations. This research maps the literature on business development strategies, especially on SMEs, that are available in the Scopus scientific database. The primary motivation of this mapping study is to provide an overview of the literature that examines business development strategies, particularly in developing sustainable SMEs.

From the articles that have been mapped systematically, the following conclusions can be drawn:

1. The most widely studied theme or topic is development strategy, with as many as 13 articles (accounting for 32% of the total number of articles), sustainable development with 5 articles (12%), innovation with 4 articles (10%), export with 2 articles (5%), business development with 2 articles (5%) and others with 1 article each (2.4%).
2. Paper type is the most widely used validation research with as many as 20 articles (48.9%), followed by evaluation research with 11 articles (26.8%). Meanwhile, the most widely used research method is the quantitative method with as many as 32 articles (78%).
3. Countries that have conducted the most research on business development strategies are China with as many as 4 articles; Iran, Poland and the European Union with 3 articles each; and Indonesia, South Africa, Taiwan, Russia, the Czech Republic and South Africa with 2 articles each.
4. Systematic Mapping Study (SMS) is a practical research method for identifying the appropriate topic and locus to be studied and the area that requires further research. The results of this study provide guidance to researchers in planning future studies through the discovery of research gaps.

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