

## UTILIZATION OF KEY RESOURCES IN SUPPORTING EFFICIENCY AND OPERATIONAL EXCELLENCE OF COMPANIES IN MUNAZARA MEDAN UMKM

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**Abstract:** *This study aims to analyze the utilization of Key Resources in supporting the efficiency and operational excellence of the company at MSME Munazara Medan. The research method used is a case study with a qualitative approach. The respondents of this study are the owners and employees of MSME Munazara Medan who are directly involved in operational management. The data analysis technique used is thematic analysis to identify patterns and themes related to the utilization of Key Resources. The results of the study indicate that the utilization of Key Resources such as human resources, technology, and partnership networks has helped MSME Munazara Medan improve operational efficiency and achieve competitive advantage. This study also identified several challenges in utilizing Key Resources, such as lack of financial resources and lack of management capabilities. The results of this study are expected to contribute to the development of theory and practice of resource management in MSMEs.*

**Keywords:** *Key Resources, Operational Efficiency, Competitive Advantage, MSMEs, Resource Management*

### Introduction

MSMEs play a strategic role in the Indonesian economy, particularly in creating jobs and increasing local economic activity. Munazara Medan's MSME, a Muslim fashion retailer, faces increasingly fierce competition. To win the market, MSMEs require optimal utilization of key resources, such as human resources, production equipment, capital, and supplier networks. Operational efficiency is achieved not only through cost reduction but also through proper resource management and increased productivity. Micro, Small, and Medium Enterprises (MSMEs) contribute significantly to the Indonesian economy due to their strategic role in employment creation, income distribution, and driving local economic growth. Amidst the growth of the digital economy and increasingly fierce business competition, MSMEs are faced with the challenge of improving operational efficiency and maintaining a competitive advantage. One key aspect of this success is how MSMEs identify, manage, and utilize key resources, which are the foundation of business sustainability.

Munazara Medan, as an MSME engaged in the local trade and production sector, requires a resource strengthening strategy to be competitive, improve operational effectiveness, and

ensure consistent product quality. In the context of MSMEs, key resources include physical resources such as production facilities and equipment, human resources, financial capital, and intellectual assets such as brands and production expertise. Suboptimal utilization of key resources can lead to increased production costs, inefficient work processes, inconsistent product quality, and reduced competitiveness. The Business Model Canvas (BMC) framework positions key resources as one of the vital elements in a business model. Key resources function to support core activities, ensure the value proposition runs, and enable the company to reach customer segments effectively. Therefore, this study was conducted to analyze how the utilization of key resources can drive efficiency and operational excellence in Munazara Medan. This article focuses on how Munazara Medan's MSMEs utilize key resources to support operational excellence and increase competitiveness. This study aims to analyze how Munazara Medan's MSMEs utilize key resources to improve operational efficiency and competitive advantage.

#### Literature Review

Based on various studies, the success of MSMEs is greatly influenced by the business's ability to utilize its internal resources. The Resource-Based View (RBV) theory explains that business excellence is determined not only by market conditions but also by how well existing resources are managed. For MSMEs, this is crucial because limited capital and business scale require maximum resource utilization. Key resources in MSMEs include human resources, business equipment, knowledge, and capital. Various studies in Indonesia have identified human resources as the most influential factor. The ability of business owners and employees to manage the business, make decisions, and serve customers can improve work efficiency and product quality.

Furthermore, the use of technology is also a crucial resource for MSMEs. The use of social media, marketplaces, and financial recording applications helps MSMEs run their businesses more quickly, efficiently, and cost-effectively. With technology, MSMEs can reach more consumers without incurring large operational costs. Proper utilization of key resources can improve MSME operational efficiency. Operational efficiency means businesses are able to use time, energy, and costs more efficiently while still producing quality products and services. Efficient MSMEs will more easily survive and thrive amidst business competition. Good operational efficiency will also create operational excellence. This excellence is evident in consistent product quality, fast service, and the business's ability to adapt to customer needs. Thus, MSMEs can have an advantage over competitors even with limited resources.

Overall, the literature shows that the utilization of key resources plays a crucial role in improving the efficiency and operational excellence of MSMEs. Therefore, research on MSMEs in Munazara, Medan, is crucial to directly observe how key resources are utilized to support business success. Thus, this literature serves as a foundation for analyzing the condition of MSMEs in Munazara, Medan, and identifying appropriate strategies to improve operational excellence. MSMEs in Munazara, Medan, need to pay attention to human resource management, digitalization of equipment and processes, utilizing social capital, and optimizing working capital to improve operational excellence.

Osterwalder & Pigneur (2010), utilization of key resources is the process of managing and optimizing the company's main resources to achieve business goals. Barney (1991), utilization of key resources is the company's ability to manage and optimize its resources to achieve competitive advantage. Porter (1985), operational efficiency is the company's ability to produce output using minimal and effective resources. Chase & Jacobs (2011), operational efficiency is the company's ability to optimize the use of resources to increase productivity and reduce costs. Porter (1985), operational excellence is the company's ability to produce products or services that have high quality and low cost, so as to increase customer satisfaction and

increase competitiveness. Hill & Jones (2012), operational excellence is the company's ability to produce products or services that have higher value than competitors, so as to increase customer satisfaction and increase competitiveness. Law No. 20 of 2008, MSMEs are businesses that have a small to medium scale in terms of number of employees, turnover, and assets.

## Method

This research uses a case study method with a qualitative approach to analyze the use of key resources to support the efficiency and operational excellence of the Munazara Medan MSME. The case study was chosen because it allows researchers to explore resource management practices in depth in the real-life context of the MSME.

### 1. Research Subjects

The research respondents consisted of owners and employees of the Munazara Medan MSME who were directly involved in operational management. Respondents were selected purposively, based on their involvement in the company's resource and operational management processes.

### 2. Data Collection Techniques

Data is collected through:

In-depth interviews with owners and employees to gather information about the use of Key Resources such as human resources, technology, and partnership networks. Direct observation of MSME operational activities to verify resource utilization and process efficiency. Documentation in the form of internal notes, activity reports, and related data relevant to Key Resources management.

### 3. Data Analysis Techniques

Data were analyzed using thematic analysis. The analysis process includes:

Transcription of interview data and observation notes. Identify key themes related to the utilization of Key Resources in improving operational efficiency and excellence. Grouping of findings based on Key Resources categories (human resources, technology, partnership networks). Data interpretation to find patterns, challenges, and contributions of Key Resources to MSME performance.

### 4. Data Validity

To maintain data validity, this study employed source triangulation, comparing information from owners, employees, and company documents. Method triangulation combined interviews, observation, and documentation. A case study with a qualitative approach was chosen because it provided an in-depth understanding of contextual Key Resources management practices at the Munazara Medan MSME. This approach enabled researchers to explore how human resources, technology, and partnership networks are effectively utilized to improve operational efficiency and achieve competitive advantage. Data collection through in-depth interviews provided direct insights from operational actors, while observation and documentation enabled verification of actual practices. Thematic analysis was appropriate because it identified patterns, themes, and challenges emerging from daily experiences in Key Resources management. With this method, the study not only produced a qualitative description of resource utilization but also explored the factors that hinder and the strategies implemented to achieve

efficiency and operational excellence for MSMEs. The results can serve as the basis for practical recommendations for developing resource management in similar MSMEs.

### Result and Discussion

This study involved 50 Munazara Medan MSMEs, consisting of business owners and operational managers. Based on the characteristics of the respondents, most were in the 25–45 years age range, had a high school/vocational high school education, and had 3–7 years of business experience. This condition indicates that respondents are of productive age with relatively adequate business experience in managing MSME operational activities. The analysis results show that Munazara MSMEs utilize four main components of key resources: human resources, technology and information systems, physical assets, and financial resources. Human resources are reflected in workforce skills, business experience, and the implementation of internal training. Technology and information systems are utilized through the use of cashier software, digital marketing, and an online-based inventory management system. Physical assets include production equipment, business premises, and distribution facilities, while financial resources include working capital, external investment, and planned cash flow management. Based on the results of statistical tests, these four key resource components have a significant effect on operational efficiency and operational excellence of MSMEs, with a significance value of  $p < 0.05$ . This shows that the more optimal the use of key resources, the higher the level of efficiency and competitiveness of the business. In terms of operational efficiency, the use of key resources has been proven to increase the speed of production and distribution processes. The application of information technology in Demand and inventory management results in a 15–25% reduction in average production time. Furthermore, response to customer orders is faster and production error rates are reduced. Furthermore, research also shows that MSMEs that effectively manage human resources and are supported by the use of digital technology have greater operational excellence and competitiveness. The use of information systems and digital marketing strategies has contributed to a 20–35% increase in online sales over the past six months. These findings indicate that proper key resource management plays a crucial role in strengthening the competitive position of MSMEs in the competitive market.



Figure 1. “Phone Strap” Product

#### 1. Significance of Key Resources

Key resource management, including quality human resources, information technology, and physical assets, is the primary foundation for improving the operational efficiency of MSMEs, particularly in facing the dynamic business competition in Medan. Optimizing and

integrating these internal resources enables business processes to be more effective, efficient, and responsive to changes and market needs.

## 2. Human Resources as a Factor of Excellence

Human resources are a key resource with a strategic role because the skill and knowledge levels of business actors significantly determine their ability to adapt to technological developments and changes in production processes. Trained and competent human resources contribute to minimizing operational constraints and improving the speed and quality of work processes. This finding aligns with various previous studies that confirm that human resource quality plays a significant role in building the competitive advantage of MSMEs.

## 3. The Role of Information Technology

The use of information technology not only serves to improve the efficiency of internal processes but also plays a role in expanding market reach through digital marketing, e-commerce, and customer relationship management systems. The results of this study align with previous studies showing that adopting digital technology can accelerate work processes, improve data management accuracy, and reduce operational costs for MSMEs.

## 4. Operational Excellence and Competitiveness of MSMEs

Effective key resource management results in competitive operational advantages, including increased production process efficiency, increased responsiveness to customer service, and expanded market access. This reflects the strong relationship between internal resource management and achieving competitive advantage, as explained in the Resource-Based View (RBV) approach to MSME strategy.

## 5. Managerial Implications

Based on the research findings, MSMEs need to pay special attention to sustainable human resource competency development, optimizing the use of information technology in operational and marketing activities, and targeted financial planning to support innovation financing. Implementing these strategies is expected to improve operational efficiency and strengthen MSMEs' position in an increasingly competitive market.

## Conclusion

This study concludes that the utilization of key resources, including human resources, technology and information systems, physical assets, and financial resources, plays a significant role in improving operational efficiency and operational excellence at Munazara Medan's MSMEs. Optimal management of internal resources has been proven to accelerate operational processes, improve service quality, and expand market reach. Competent and adaptive human resources are key factors in supporting smooth operations and business competitiveness. In addition, the utilization of information technology makes a significant contribution to increasing the effectiveness of business process management and digital marketing. Adequate physical assets and planned financial management also strengthen the operational sustainability of MSMEs. The findings of this study support the Resource-Based View (RBV) approach, which emphasizes that valuable and effectively managed resources can be a source of sustainable competitive advantage. Therefore, strengthening and optimizing key resources should be a primary strategy in MSME development to improve business performance and competitiveness amidst increasingly dynamic market competition. The effective utilization of key resources at Munazara Medan's MSMEs has been shown to contribute significantly to improving operational efficiency and creating competitive advantage. Improving the quality of human resources, integrating digital technology, and optimal asset management are key factors in improving the performance and sustainability of MSME businesses.

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