

Critical Factors in Business Matching for MSME's in the Riau Islands: An Overview

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Abstract

This research investigates critical factors influencing business matching for Micro, Small, and Medium Enterprises (MSME's) in the Riau Islands, employing a quantitative approach and utilizing Excel diagrams for data presentation. The research focuses on a population of 47 MSMEs, applying a saturated sampling method. The analysis identifies business matching as the dependent variable, influenced by technical, legal, and financial aspects. Findings reveal that MSMEs face significant challenges, including shipping costs, export procedures, and limited access to financing and international markets. Strategies to enhance development include leveraging e-commerce platforms to reduce shipping expenses and conducting outreach programs on export procedures. The study confirms that technical, legal, and financial factors significantly impact business matching. Recommendations include providing training on financing and establishing cooperatives to facilitate connections with aggregators and buyers, thereby improving the operational capacity of MSME's in the region.

Introduction

According to Law No. 20 of 2008, Micro, Small, and Medium Enterprises (MSME's) are defined as productive enterprises owned by individuals or individual business entities that meet specific criteria established by legislation. As reported by the Ministry of Cooperatives and Small and Medium Enterprises in 2021, the total number of MSME's in Indonesia reached 64.2 million, contributing to 61.07% of the Gross Domestic Product (GDP), equating to approximately IDR 8,573.89 trillion. Notably, MSME's account for 97% of the total workforce and mobilize about 60.4% of total investments in the country. This substantial potential positions MSME's as significant contributors to GDP growth. Despite their considerable impact, Indonesia's export contribution remains low at just 15.69% in 2021, with approximately 46.6 million of the 64 million MSME's lacking access to financing. Research indicates that MSME's in the Riau Islands face several challenges, including limited access to international markets, insufficient information regarding foreign market potential, complexities in export processes, high shipping costs, and inadequate capital (APEC., 2020).

Els, C., Grobbelaar, S., & Kennon D., (2020) explain to address these challenges, various strategies can be employed. For instance, enhancing export capabilities can be achieved through business matching initiatives that facilitate connections between MSME's and foreign markets. Financial accessibility issues may be mitigated by implementing financing business matching strategies. Additionally, the challenge of high shipping costs can be addressed by establishing a cooperative model to aggregate MSME products. This approach could lead to reduced shipping costs, as larger volumes of goods typically lower logistics expenses. Research findings recommend utilizing the Postal Office for shipping, given its more economical rates of IDR 12,048,000 per 300 kg. However, for a broader export reach, employing DHL logistics is advisable, as it covers 220 countries, thereby enhancing the potential for international trade. The tendency of companies to engage in earnings management can be observed through company characteristics measured by financial ratios, including Return on Assets (ROA) and Loan to Deposit Ratio (LDR). Return on Assets (ROA) can be used by investors to assess the extent of a company's ability to generate profit through the utilization of its assets. The company's success in generating profit through the utilization of its assets becomes a benchmark for evaluating company performance. This can motivate earnings management actions within the company because a higher Return on Assets indicates that the company is more efficient in using its assets to generate profit. Companies with large profits and higher asset returns will be more attractive to investors.

Literature Review

Technical Aspects

Technical aspects are crucial in the establishment of a business (Juniana et al., 2023). They encompass the facilities and infrastructure that support business operations. Facilities include the tools and technologies utilized, while infrastructure refers to supporting elements such as the business location, roads, water supply, and electricity. Adequate facilities and

infrastructure facilitate smoother production processes. The analysis of technical aspects aims to ensure the availability of locations, equipment, materials, and technologies or methods necessary for operations. This analysis supports the efficiency of production processes, thereby generating high-quality products that meet customer needs in the target market. Technical aspects are vital as they provide insights into the input and output processes of the business. This assessment evaluates the operational feasibility and the technology to be employed, preventing critical errors that could escalate production costs. Key components of this analysis include product selection and design, production capacity planning, process planning, production facilities, and business location planning.

Legal Aspects

Legal aspects are evaluated by examining the ability of business operators to comply with legal requirements and obtain necessary permits (Sanjaya et al., 2017). This includes legal documents such as the Tax Identification Number (NPWP), Hazard Analysis Critical Control Points (HACCP), Business Identification Number (NIB), Health Certificate (HC), Approval Letter (SPM), Registration Number, and other relevant documents. A business becomes an official entity once these documents are secured, particularly when engaging in export activities. The legal analysis reviews the regulations that must be met before commencing business operations. Legal requirements vary by business type and are influenced by the complexity of the business model. Furthermore, regional autonomy leads to differences in legal provisions and licensing requirements across various regions. Understanding the legal regulations and investment permits for each area is essential for conducting a thorough legal feasibility analysis. In business feasibility studies, the legal aspect aims to examine the validity, completeness, and authenticity of the documents possessed.

Financial Aspects

The financial aspects are analyzed to determine the required capital, sources of funding, and the expected return on investment (Sanjaya et al., 2017):

Short-Term Financial Aspects

Short-term financial aspects play a critical role in managing the stability and financial well-being of an entity, whether it be a corporation or an individual. At the corporate level, effective management of short-term finances is essential for maintaining adequate liquidity, meeting upcoming debt obligations, and ensuring smooth day-to-day operations. A thorough understanding of short-term financial aspects is crucial for attaining financial stability and achieving long-term financial success.

1. Capital

Capital refers to the funds invested by owners to initiate and operate their businesses. The amount of capital significantly influences the potential profit that can be generated. A company's profitability can be estimated through effective capital management. As a business operates, the profits earned can be allocated toward expansion. The larger the scale of the business, the greater the required capital, and vice versa (Kurniasari, 2017). Capital Formula:

$$\text{Working Capital} = \text{Current Assets} + \text{Depreciation}$$

2. Production Costs

The primary objective of calculating production costs is to assess the profitability of producing goods or services and to determine whether production costs can be minimized to enhance efficiency. Additionally, information regarding production costs is vital for establishing appropriate selling prices for products or services and for effective financial planning and control within the company. Therefore, a comprehensive understanding of production costs is essential for business management and decision-making (Pratiwi, 2013).

Production Cost Formula:

$$\text{Production Cost} = \text{Direct Materials} + \text{Direct Labor} + \text{Manufacturing Overhead}$$

3. Debt

Debt represents the obligations of a company to creditors and other parties. These creditors and parties hold rights or claims over the company's assets. Debt can be classified into two categories, short-term debt and long-term debt. Short-term debt, also known as current liabilities, refers to obligations that are due within a year. In contrast, long-term debt, referred to as non-current liabilities, that extend beyond one year (Hery, 2014).

Debt Formula:

$$\text{Total Debt} = \text{Short Term Debt} + \text{Long Term Debt}$$

4. Depreciation

Depreciation is the process of allocating a portion of an asset's value by reducing its worth over its estimated useful life. This concept applies to all types of fixed assets, whose capacity to provide services diminishes over time. The decrease in functionality can be influenced by various factors, including asset utilization, excessive wear, and technological advancements that render the asset obsolete.

Depreciation Formula:

$$\text{Depreciation} = \frac{\text{Cost of Asset} - \text{Salvage Value}}{\text{Useful Life}}$$

5. Break Event Point (BEP)

Break-even analysis is a method utilized by company managers to determine the production or sales volume at which the company neither earns a profit nor incurs a loss. There are several benefits of conducting a break-even point (BEP) analysis for company management, including: designing product specifications, setting unit selling prices, establishing sales targets and minimum sales requirements, maximizing production and sales volumes, and planning for desired profits along with other objectives.

Break Event Point Formula:

$$\text{BEP} = \frac{\text{FC}}{\text{P-VC}}$$

Strategies for Export Development of MSME's

Business strategy refers to the process utilized by organizations to manage their operations and generate revenue (Rahayu Prihandini & Susanta Nugraha, 2023). The development strategy for Micro, Small, Medium and Enterprises (MSME's) can be implemented by fulfilling export licensing requirements, such as ensuring legal business status and product safety. Enhancing product quality involves consistently controlling the quality of raw materials. Proper management should employ Standard Operating Procedures (SOPs) to ensure that all products meet established criteria. Accurate record-keeping is crucial for representing the business effectively and can serve as a means to access funding:

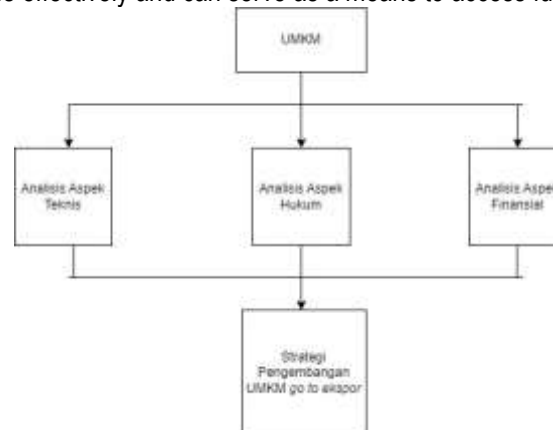


Figure 1.

Conceptual Framework

Source: Processed Data, 2025

Based on the comprehensive literature review presented above, it can be concluded that the hypothesis to be explored in this research is:

H₁: It is hypothesized that technical aspects influence business matching for MSME's in the Riau Islands.

H₂: It is hypothesized that legal aspects influence business matching for MSME's in the Riau Islands.

H₃: It is hypothesized that financial aspects influence business matching for MSME's in the Riau Islands.

Methodology

This research employs a quantitative approach for data analysis, utilizing Excel diagrams to present data from MSMEs participating in business matching in the Riau Islands. The primary objective of this study is to determine the influence of various factors. The primary data is sourced from a population of 47 MSMEs in the Riau Islands, with a saturated sample used as the specific criteria. The data analysis method is described descriptively. The dependent variable in this study is business matching, with technical, legal, and financial aspects serving as independent variables (Bogdan, R. & Biklen, S. K., 2007). Table 1 presents the operational definitions for each variable in this study:

Table 1.
Operational Definition of Variables

Name of Variable	Description		Scale
	Indicator	Formula	
Technical Aspect	Safe Production Equipment	Yes or No	Dummy
	Relationship Between MSMEs and Raw Material Partners		
	Product Packaging		
	Standard Operating Procedures (SOP)		
	Fulfillment of Demand		
Legal Aspect	Halal Certificates	Yes or No	Dummy
	Business Identification Numbers (NIB)		
	PIRT (Food Business Registration)		
	Other relevant permits		
Financial Aspect	Capital	Working Capital = Current Assets + Depreciation	Ratio
	Production Cost	Production Cost= Direct Materials+Direct Labor+Manufacturing Overhead	
	Debt	Total Debt= Short Term Debt + Long Term Debt	
	Depreciation	Depreciation = $\frac{\text{Cost of Asset} - \text{Salvage Value}}{\text{Useful Life}}$	
	Break Event Point (BEP)	$\text{BEP} = \frac{\text{FC}}{\text{P-VC}}$	

Source: Data processed from journal, 2025

Result And Discussion

Research Findings

1. Profile of MSME's Based on Education

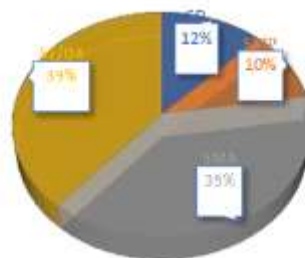


Figure 2.

Source: Data on the Highest Education Level of MSME Owners in the Riau Islands, 2025

Based on the figure, the highest education levels among MSME owners in the Riau Islands are high school (SMA) and bachelor's degree (S1/D4), each representing 39%. This indicates a notable potential for developing MSMEs. A higher level

of education among MSME owners is often associated with improved managerial skills, strategic business planning, financial management, marketing, and operational capabilities, which are crucial for business success and growth.

2. Profile of MSME's Based on Location



Figure 3.

Source: Data on the Location Profile of MSMEs in the Riau Islands, 2025

Based on the survey results, the distribution of MSMEs in the Riau Islands is most concentrated in Karimun (27%), followed by Tanjungpinang (22%), Batam (18%), and Bintan and Natuna, both at 2%..

3. Profile of MSME's Based on Type

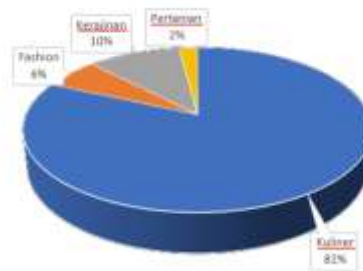


Figure 4.

Source: Data on the Type Profile of MSMEs in the Riau Islands, 2025

Based on the above graph, the types of MSMEs in the Riau Islands are predominantly in the culinary sector, accounting for 82%. Other categories include crafts at 10%, fashion at 6%, and agriculture at 2%. This distribution indicates a strong emphasis on culinary enterprises, suggesting opportunities for growth and innovation in this sector.

The Effect of Technical Aspects on Business Matching

The technical aspects within a company encompass facilities and infrastructure (Creswell, J. W., 2009). Facilities refer to the resources used for production, while infrastructure includes supporting elements such as roadways. In the research conducted on MSMEs in the Riau Islands, the following findings were observed:

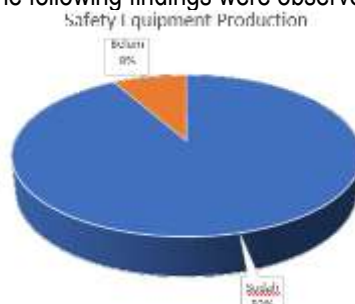


Figure 5.

Source: Safe Production Equipment, 2025

Based on the data presented in the graph, a total of 43 MSMEs have met safety standards for processing, while 4 MSMEs

have yet to adopt safe production equipment. This indicates that 91.7% of MSMEs in the Riau Islands possess safe production tools. Such a high percentage demonstrates that MSMEs in the region are technically viable, ensuring compliance with safety regulations and enhancing the overall quality of their operations.

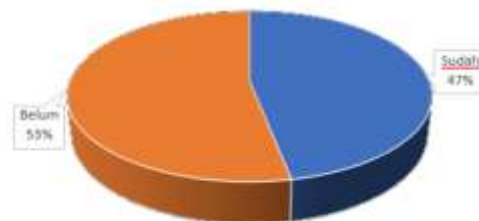


Figure 6.

Source: Relationship Between MSMEs and Raw Material Partners, 2025

Based on the data presented in the graph, 47% of MSMEs in the Riau Islands have established partnerships with raw material suppliers, while 53% have not yet formed such collaborations. This indicates that a majority of MSMEs are currently operating without strategic partnerships for sourcing materials, which may impact their operational efficiency and competitiveness. Strengthening these relationships could enhance supply chain reliability and improve overall business performance in the region.

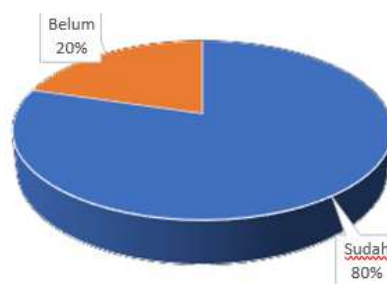


Figure 7.

Source: Product Packaging, 2025

Based on the data presented in the graph, 80% of MSMEs have designed product packaging that includes explanations of product composition, while 20% have yet to standardize this information. This indicates a strong commitment among the majority of MSMEs to provide clear and informative packaging, which can enhance consumer trust and marketability.

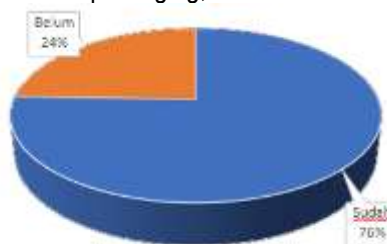


Figure 8.

Source: Standard Operating Procedures (SOP) for MSME's, 2025

Based on the data presented in the graph, 76% of MSMEs have established Standard Operating Procedures (SOPs) to maintain product quality from raw materials to the final consumer. Conversely, 24% of MSMEs do not yet have such SOPs in place. This indicates a significant commitment among the majority of MSMEs to uphold quality standards, which is crucial for consumer satisfaction and business sustainability. However, the 24% lacking SOPs may need support to develop effective procedures that ensure consistent quality in their products.

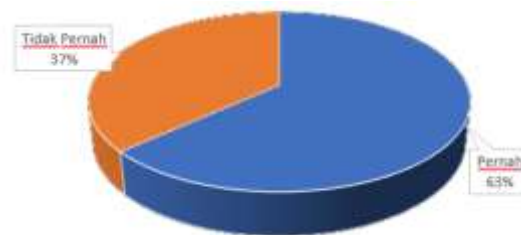


Figure 9.

Source: Fulfillment of Demand, 2025

Based on the data presented in the graph, 63% of MSMEs have experienced instances where they could not meet product demand due to production limitations, while 37% consistently fulfill product demand. This situation highlights a correlation with MSMEs that have established partnerships with raw material suppliers. Strengthening these partnerships could potentially enhance production capacity and help MSMEs better meet market demand, thereby improving overall business sustainability and customer satisfaction.

The Effect of Legal Aspects on Business Matching

The legal aspects pertain to the legal status of businesses. This includes official documentation obtained through certification. Examples of such documents are halal certificates, Business Identification Numbers (NIB), PIRT (Food Business Registration), and other relevant permits. The following outlines the general legal status of MSMEs in the Riau Islands regarding these legal aspects:

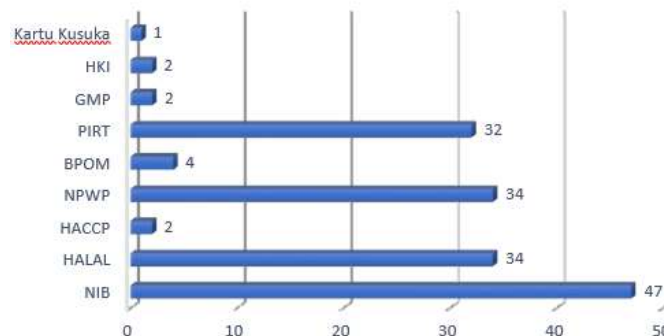


Figure 10.

Source: Business Legality, 2025

Based on the data presented in the graph, MSMEs in the Riau Islands Province generally possess the necessary business legality, with 47 MSMEs having obtained their Business Identification Number (NIB). Additionally, 34 MSMEs hold Taxpayer Identification Numbers (NPWP) and halal certifications, while 32 MSMEs have Product Registration Certificates (PIRT). Furthermore, 4 MSMEs are registered with the National Agency for Drug and Food Control (BPOM), and 2 MSMEs have Intellectual Property Rights (HKI), Good Manufacturing Practices (GMP), and Hazard Analysis and Critical Control Points (HACCP) certifications, along with 1 MSME holding a Kusuka Card. This indicates that MSMEs in the Riau Islands do not face significant issues regarding business legality for distributing their products (Fernández-Mesa, A., & Alegre, J., 2015). However, for export activities, MSMEs must ensure compliance with the legal requirements set forth by the destination countries.

The Effect of Financial Aspects on Business Matching

The financial aspect is crucial for any company, reflecting its financial health and stability. It begins with the simple recording of cash inflows and outflows, but to gain deeper insights into a company's health, financial analysis is necessary. This analysis can be categorized into short-term and long-term financial evaluations. Research conducted by Dhamayanti et al. (2020) identified that MSMEs face challenges in financial aspects, particularly regarding knowledge of entrepreneurship and financial management. Below is the data collected from MSMEs in the Riau Islands that serve as samples for this study:

Table 2.
MSME's By Revenue

No	Criteria	Total	Percentage
1	Rp 0 – Rp 300 Milion	43	91,50%
2	Rp 300 Million – Rp 2,5 Billion	3	6,38%
3	Rp 2,5 Billion – 50 Billion	1	2,12%
Total		47	100%

Source: Data Processed, 2025

Based on the table above, the distribution of MSMEs in the Riau Islands by asset size is as follows: 91.1% are micro enterprises, 6.3% are small enterprises, and 2.1% are medium enterprises. These MSMEs typically rely on various sources of capital to operate their businesses. Below are the sources of capital for MSMEs in the Riau Islands:

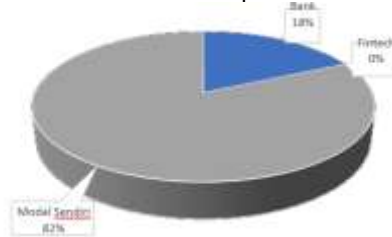


Figure 11.

Source: Financing for MSMEs, 2025

According to the diagram, the primary source of financing for MSMEs in the Riau Islands Province is self-capital, accounting for 82% of the total. In contrast, only 18% of funding originates from banks. Notably, MSMEs in the Riau Islands have not yet leveraged fintech solutions, as indicated by a survey that reported a utilization rate of 0%. The challenges related to capital access for MSMEs are illustrated in the accompanying graph. Financial Record-Keeping Amon MSME's:

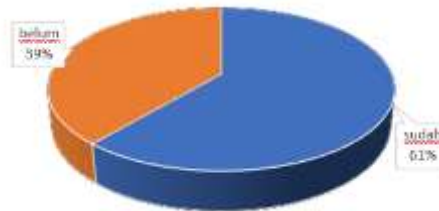


Figure 12.

Source: Financing Report MSMEs, 2025

According to the diagram, 61% of MSMEs in the Riau Islands have implemented financial record-keeping practices. This indicates that these enterprises are positioned to apply for bank loans, as proper financial documentation is a prerequisite for loan applications. The types of financial record-keeping performed by these MSMEs include the following:

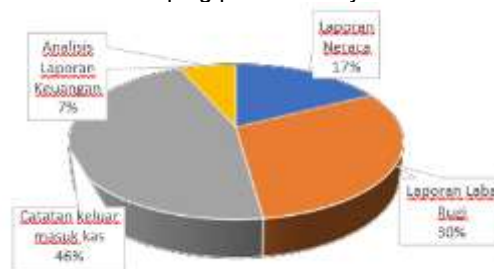


Figure 13.

Source: Financial Record-Keeping Practices

According to the graph, MSMEs that have engaged in financial record-keeping have documented cash inflows and outflows at a rate of 46%. Additionally, 30% have prepared Profit and Loss Statements, 17% have created Balance

Sheets, and 7% have conducted financial statement analyses.

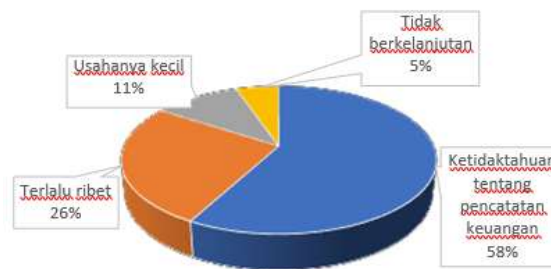


Figure 14.

Source: Obstacles faced by MSMEs that do not maintain financial records

Based on the diagram, the primary reason MSMEs do not engage in financial record-keeping is a lack of knowledge about the process, accounting for 58% of responses. Additionally, 26% believe that maintaining records is overly complicated, while 11% attribute the issue to their small business size. Finally, 5% of MSMEs have attempted financial record-keeping but have not maintained it consistently (Osborne, S. P., & Ball, A., 2010).

Discussion:

Challenges Faced by MSMEs in Riau Island

In the process of business development, MSMEs encounter various challenges at every stage, from potential MSMEs to digital and export-oriented MSMEs. Research by Sudaryanto et al. (2013) identified that Indonesian MSMEs face issues related to capital, information, marketing, and skills. The results of the analysis of challenges faced by MSMEs in the Riau Islands are as follows:

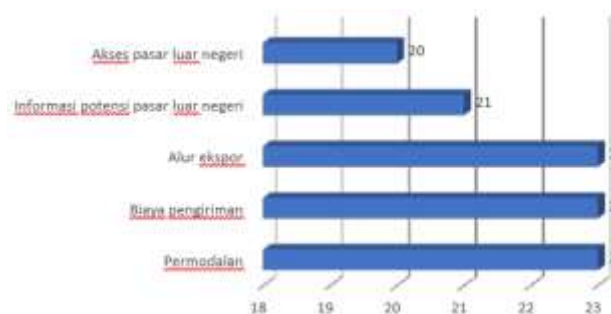


Figure 15.

Source: Challenges Faced by MSMEs in Riau Island

These findings highlight the critical areas where MSMEs need support to enhance their operational efficiency and expand their market reach. Addressing these challenges is essential for the growth and sustainability of MSMEs in the region (Berry, A., Rodriguez, E. & Sandee, H., 2001).

Based on the analysis of challenges faced by MSMEs in the Riau Islands, the following strategies for development and export are recommended:

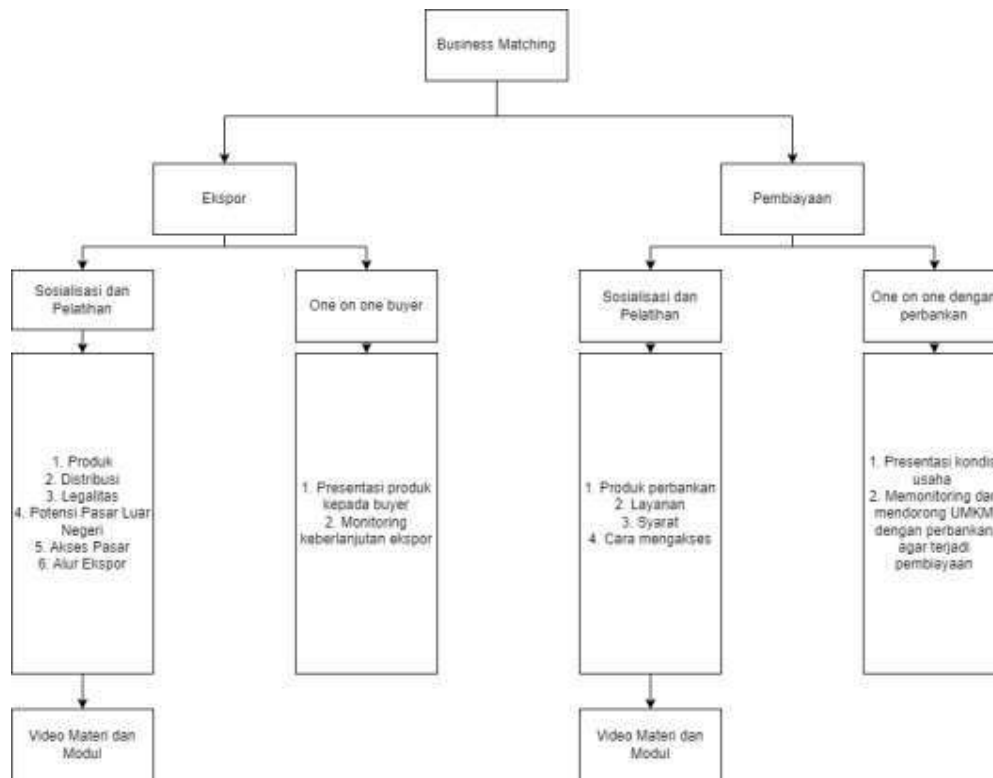


Figure 16.

Source: Business Matching Strategy

Capital Access Strategies

To address the capital challenges faced by MSMEs in the Riau Islands Province, several strategies can be implemented. First, training sessions on credit processes and financial record-keeping should be provided. Bank Indonesia's initiative to train MSMEs in using the SI APIK application aims to enhance financial literacy and improve access to financial resources. MSMEs without collateral, applying for loans through fintech platforms such as Kredivo and MY BCA is a viable solution. According to Storey, D. (2003), these platforms typically require personal information and specific criteria, such as a minimum age of 21, without demanding collateral. Additionally, sharia-compliant P2P lending options, which operate on profit-sharing principles rather than interest, can offer a secure financial avenue. The advantages of fintech include accessibility for all MSME sectors in Indonesia, rapid online loan services, and stringent security measures, such as biometric data and encryption, ensuring customer data protection (Yahya, 2019).

Export Process Knowledge

To address the lack of knowledge regarding export procedures among MSMEs, it is essential to provide outreach programs that connect potential exporters with third parties and buyers.

International Market Information and Access

Access to information about foreign markets can be facilitated through direct and indirect outreach. Direct initiatives could involve offline workshops, while indirect methods might include creating accessible video content. Providing such information can motivate MSMEs to expand their operations, as exporting products can yield higher profits when competitive. Business matching initiatives can further support MSME development, comprising both export and financing matching. These sessions would cover essential topics such as product distribution, legality, market information, and export processes. Following these sessions, one-on-one meetings with buyers will allow MSMEs to present their products and monitor ongoing buyer relationships. For financing matching, training on banking products and services will enable MSMEs to engage in one-on-one discussions with financial institutions, presenting their business conditions and receiving monitoring

support. It is crucial to ensure that MSMEs in the Riau Islands have the necessary access to export knowledge and financial resources. Creating instructional videos for platforms like YouTube can facilitate this process.

Shipping Costs

Shipping costs, which encompass the expenses incurred in delivering goods from producers to consumers, pose a challenge for MSMEs in the Riau Islands due to relatively high expenses. To mitigate these costs, utilizing e-commerce services can be advantageous, as shipping fees may be covered by buyers, especially through cashless transactions. However, MSMEs will require training and assistance to effectively operate e-commerce platforms such as Shopee.

Export Logistics

Qualitative analysis indicates a significant difference in shipping costs between logistics providers, such as the Postal Service and DHL, highlighting the need for MSMEs to carefully evaluate their logistics options for cost-effective solutions.

Table 3.
Shipping Cost Comparisson

Description	Postal Service	DHL	FedEx Express
Document weight (1 kg)	Rp 80.480	Rp 276.500	Rp 861.000
Non-document weight (1 kg)	Rp 80.480	Rp 514.000	Rp 861.000
Number of countries covered	18 countries	220 countries	220 countries

Source: Data Processed, 2025

Based on the table, the most economical option for shipping is to use the Postal Service. However, if MSMEs need to send goods to a wider range of countries, it is advisable to opt for DHL, which offers greater international coverage.

Table 4.
Shipping Recommendation

Description	Postal Service	DHL	FedEx Express
Document weight (300 kg)	Rp12.048.000	Rp32.550.000	Rp53.400.000
Non-document weight (300 kg)	Rp12.048.000	Rp32.550.000	Rp53.400.000
Number of countries covered	18 countries	220 countries	220 countries

Source: Data Processed, 2025

According to the table, for larger shipments, it is recommended to use the Postal Service due to its lower tariff rates. However, if the destination country does not have a partnership with the Postal Service, it is advisable to choose DHL, which offers a wider international reach and competitive shipping prices.

Business Model

The business model serves as a framework outlining the flow of goods from producers to consumers (OECD, forthcoming., 2018). This flow can be utilized as a reference for business activities and analysis. To address the shipping cost challenges faced by MSMEs in the Riau Islands Province, the following business model is proposed:

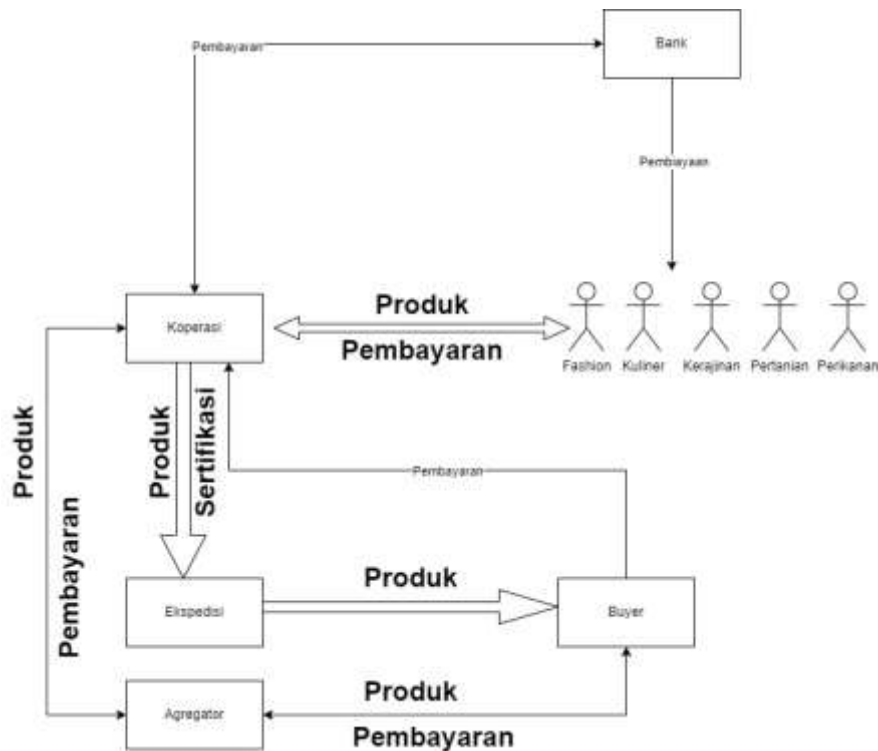


Figure 17.
Source: Business Model

Role of Cooperatives in MSME Development

Establishing cooperatives for Micro, Small, and Medium Enterprises (MSMEs) is essential for promoting and facilitating their development, particularly in the realm of export. MSMEs often encounter significant production limitations that hinder their ability to meet the growing demands of foreign markets. These challenges are compounded by the high shipping costs that can erode profit margins and make it difficult for these enterprises to compete on an international scale. Research has demonstrated that as the quantity of goods shipped increases, shipping costs per unit can decrease significantly. This is where cooperatives play a vital role. According to Revindo, M. D. (2017), cooperatives serve as crucial intermediaries that connect MSMEs with aggregators and potential buyers, thereby enhancing market access and creating opportunities for collaboration. By pooling resources and sharing knowledge, cooperatives enable MSMEs to collectively overcome production challenges and better align their offerings with market demands (Mintzberg, H., 1987).

Additionally, cooperatives can assist MSMEs in navigating the complexities of accessing financing from banks and financial institutions. They provide valuable support in preparing loan applications and understanding financial products that can empower these businesses to grow. With the backing of cooperatives, MSMEs are more likely to secure the necessary funding to invest in their operations and expand their market reach. Moreover, cooperatives can establish partnerships with logistics providers, allowing them to negotiate lower shipping rates for their members (Madushanka, H. & Sachitra, V., 2021). This collaboration is particularly beneficial for MSMEs, as it reduces the overall cost of product delivery and enhances their competitiveness in the global marketplace. By leveraging these collective advantages, cooperatives significantly strengthen the position of MSMEs, enabling them to thrive and succeed in both domestic and international markets.

Conclusion and Recommendations

Conclusion

Based on the analysis and data processing conducted, the conclusions of this research are as follows:

1. The issues faced by MSME's in the Riau Islands include shipping costs, export procedures, and access to

- financing, with the highest frequency of problems being associated with these factors. Other challenges include limited information on potential markets abroad and access to international markets.
2. The strategies employed to develop MSME's in the Riau Islands involve export business matching and financing business matching.
 3. To address shipping costs for MSME's, strategies include utilizing e-commerce platforms such as Shopee, TikTok, and Tokopedia.
 4. Result this study, the tested hypotheses are as follows:
 - a. H_1 : Technical aspects significantly influence business matching for MSMEs in the Riau Islands.
 - b. H_2 : Legal aspects significantly influence business matching for MSMEs in the Riau Islands.
 - c. H_3 : Financial aspects significantly influence business matching for MSMEs in the Riau Islands.

Recommendations from this research

Based on the analysis results and conclusions drawn above, the following recommendations can be made:

1. Conduct outreach programs on export procedures and export business matching.
2. Provide training and information sessions on financing business matching.
3. To minimize shipping costs when using logistics services, MSME's are advised to utilize postal services.
4. Establish cooperatives for MSME's to serve as intermediaries to aggregators and buyers.

Limitations

Firstly, the research focuses specifically on challenges faced by MSME's in the Riau Islands, such as shipping costs, export procedures, and access to financing. This narrow focus may lead to an incomplete understanding of other significant issues affecting MSME's. Secondly, the findings are localized and may not be generalizable to MSME's in different regions or countries with varying market conditions. Additionally, the data collection methods may introduce bias or limitations, particularly if reliant on self-reported data from MSME's. The dynamic nature of market conditions may also influence the relevance of the recommendations as economic circumstances, regulations, and technological advancements evolve. Lastly, while the recommendations provided are practical, their implementation may encounter challenges such as resource limitations, resistance to change, or inadequate support from local authorities.

Research Contribution

This research contributes significantly in multiple dimensions. It provides a comprehensive analysis of the challenges faced by Micro, Small, and Medium Enterprises (MSMEs) in the Riau Islands, particularly regarding shipping costs, export procedures, and access to financing. By identifying these specific issues, the study offers valuable insights that can inform policymakers and stakeholders in developing targeted interventions. Additionally, the research introduces practical strategies, such as the implementation of export business matching and the utilization of e-commerce platforms, which can enhance the operational efficiency of MSMEs.

These strategies not only contribute to the academic literature but also serve as actionable recommendations for MSMEs seeking to expand their market reach. The study also emphasizes the importance of cooperative structures for MSMEs, which can facilitate better access to resources and markets. This aspect highlights the potential for collaborative approaches to address common challenges. Overall, this research enhances the understanding of MSME dynamics in emerging markets and provides a foundation for future studies aimed at improving the performance and sustainability of MSMEs in similar research.

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