

Implementation of Risk Management in Micro and Small Enterprises: Case Study at Kota Ternate

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Abstract: Ternate city as a trading hub in North Maluku, holds great potential as well as its own challenges for MSMEs. This study aims to determine how MSME business actors in Ternate City review risks, implement risk management strategies, and maintain their businesses amidst current market competition. This research uses a qualitative method with data collection techniques through interviews. Based on the results of interviews with each MSME business actor, they face various risks, one of which is unsold or easily damaged products, which can be a significant obstacle if not managed properly. In addition, in facing competition, promoting through social media is an effective step. Products in high demand can boost revenue, but careful attention must be paid to inventory management and quality. A good promotional strategy can attract market attention. The implication of this study shows that MSME business actors are said to be successful if they have the ability to manage risks and take advantage of market opportunities, not only in terms of product quality.

Keywords: business risks, small businesses, risk management, competition strategies

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are defined as business units characterized by attributes such as a limited number of employees, relatively small annual turnover, and a tendency toward private or family ownership. These enterprises are structurally vital to economic decentralization and serve as engines for job creation and local wealth distribution (Batara Surya, dkk, 2021). Surya et al. (2021) show that MSMEs play a vital role in creating jobs and increasing local incomes in Indonesia. In the specific context of Indonesia's eastern provinces, particularly Ternate City, North Maluku Province, MSMEs occupy a position of critical significance. Their operations are not merely supplementary; they "play a vital role in the local economy, serving as the backbone of daily life" (McKinsey Global Institute, 2024). McKinsey Global Institute (2024) shows MSMEs di Ternate City has a significant contribution for local economy. This deep integration into the social and commercial fabric means that the health and sustainability of these businesses directly reflect the resilience of the wider regional economy. However, this indispensable position is juxtaposed against a challenging operational environment. Batara Surya et al. (2021) showed that MSMEs in Ternate City face various risks, including financial, operational, and strategic risks. For examples, MSME are prone to variety of strategic risks such as lack of promotion, failure to forecast trends, failure to compete with similar business, and taking wrong direction of business expansion. The original observation that their businesses are "like a small boat navigating a vast ocean" perfectly captures the inherent vulnerability to external and internal shocks. Interviews with local stakeholders confirm that monthly revenue fluctuates significantly, a volatility driven by product type, seasonality, and the rapid shifts of dynamic market conditions.

These risks extend far beyond mere financial constraints, encompassing critical operational deficiencies, such as inefficient inventory management, and the ever-present threat of fierce competition (Original Source, 2023). Agyei-Mensah (2017) shows that effective risk management can help MSMEs reduce risks and improve performance. The necessity of balancing fast-moving products with less-demanded items provides a stark illustration of this complexity, requiring businesses to be exceptionally agile and adaptive to consumer preferences that change on short timelines. In this fluid context, the proactive ability to manage risk is not just a strategic advantage but a fundamental prerequisite for survival and subsequent growth. As the central trading hub of North Maluku, Ternate City presents a complex tableau of potential and unique structural challenges for MSMEs. Tambunan (2019) shows that MSMEs in Ternate City face various challenges, including access to finance, infrastructure, and technology. The diverse array of products and business models operating within the city reflects the intricate and varied market demands they seek to meet. While the extensive collective sales experience, ranging from nascent startups to enterprises with decades of history, provides valuable intellectual capital, it does not immunize them from regional constraints.

These constraints include logistical complexities inherent to island economies and the sustained pressure from larger, more formalized competitors, e.g. Mc Donald and Kentucky Fried Chicken being a competitor for smaller and local MSMEs with similar product. World Bank (2020) shows that MSMEs in Ternate City need to improve their risk management capabilities to face these challenges. Furthermore, the localized nature of these markets often means that a single economic or natural shock can disproportionately impact the entire local business ecosystem. Therefore, the strategies employed to navigate these specific, localized risks are of profound interest to both management scholars and economic development planners. Against this backdrop of high economic importance and high operational risk, the effective implementation of risk management strategies becomes the definitive key performance indicator for long-term viability.

In COSO (2017) it is shown that effective risk management can help organizations improve performance and resilience. Small businesses, due to their limited resource pools and lack of specialized departments, must develop intuitive, cost-effective, and holistic risk identification and

mitigation protocols. Their ability to successfully institutionalize adaptability and foresight determines whether they merely survive cyclical downturns or effectively capture new market share. The purpose of this study consists of several point. Firstly, to strengthen the resilience of SMSEs, especially in Ternate city. Second, to mitigate the impact of bigger and stronger competitor which pose challenge for local companies. Lastly, to observe the SMSEs application of Risk Management.

2. LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs) are business units with certain characteristics, such as a relatively small number of employees, relatively low turnover, and often owned and operated by individuals or families (Kotler & Armstrong, 2010). MSMEs can be micro, small, or medium enterprises and can operate in various sectors, such as trade, services, or manufacturing. According to several experts, MSMEs have varying definitions, but in general, they can be described as businesses with a smaller operational scale compared to large companies, with a limited number of employees, low revenues, and limited assets (Esubalew & Raghurama, 2017). MSMEs are also defined as organizations with independent ownership and management structures, smaller in scale, and generally involved in the production, distribution, and marketing of goods and services (Knight & Liesch, 2016). In the economic context, MSMEs play a vital role in creating jobs, increasing economic growth, and driving innovation (Pandey & Chaudhary, 2024; Ipke & Elumalue, 2024; Partala et al., 2024).

MSMEs have unique characteristics, namely a relatively small number of employees, often less than 20 people (Central Bureau of Statistics, 2023), and relatively low turnover compared to large businesses (Bank Indonesia, 2023). Furthermore, MSMEs are often owned and operated by individuals or families (Creswell, 2011), enabling faster and more flexible decision-making in responding to market changes. Recent research shows that MSMEs have several advantages, such as agility in decision-making due to a simple organizational structure (Lestari et al., 2024), proximity to customers that allows for a better understanding of customer needs (UNESCAP), and flexibility and adaptability in facing market changes (Nakandala et al., 2024). MSMEs also play a vital role in the economy by creating jobs and driving economic growth.

MSMEs can be categorized into three types, namely micro-enterprises which are very small and often run by individuals or families (ISO 31000, 2018), small businesses which are larger than micro-enterprises but still have a relatively small number of employees and turnover (Kotler & Armstrong, 2010), and medium-sized businesses which are larger than small businesses but have not yet reached the scale of large businesses (Central Bureau of Statistics, 2023). MSMEs also face various business risks, such as financial risks which include cash flow difficulties, difficulty in obtaining capital, and inaccurate financial records (Ali Emrouznejad, Sina Abbasi, Çiğdem Sıçakyüz, 2023), market risks which include changes in consumer preferences, intense competition, and changes in market prices (McKinsey Global Institute, 2024), and operational risks which include equipment damage, stock shortages, and employee management problems (ISO 31000, 2018). A risk management strategy is a plan developed to manage and mitigate the risks faced by MSMEs (Creswell, 2011). Some risk management strategies that can be used by MSMEs are risk identification to recognize the risks that may be faced (ISO 31000, 2018), risk analysis to determine the likelihood and impact (Ali Emrouznejad, Sina Abbasi, Çiğdem Sıçakyüz, 2023), risk evaluation to determine risk management priorities (Kotler & Armstrong, 2010), and risk mitigation to develop strategies to reduce or eliminate identified risks (McKinsey Global Institute, 2024).



3. RESEARCH METHOD

This study employed a qualitative approach, a research method used to understand social meaning and human behavior through interviews, direct observation, and interpretation of texts and visual materials (Stanford University Libraries, 2025). According to Sugiyono (2020), qualitative research is a research method used to conduct research in natural settings, with the researcher as the instrument. This type of qualitative research was also used by Mthiyane et al. (2025) to understand the risks faced by MSMEs and effective risk management strategies. They found that MSMEs that employ effective risk management strategies can increase their business resilience.

Furthermore, Bensaada and Taghezout (2019) also used a qualitative approach to develop a risk management framework for MSMEs. In qualitative research, data interpretation is crucial for understanding social meaning and human behavior. According to Creswell and Poth (2018), data interpretation in qualitative research involves identifying emerging themes and developing a more contextual theory. A qualitative approach was chosen because it allows the researcher to collect more in-depth and detailed data about respondents' experiences and perceptions, thus the researcher used interviews as a means of data collection. The sample of this study was MSMEs in Ternate City, and the type of interviews used was semi-structured, allowing the researcher to ask pre-prepared questions and also allow for additional questions.

4. RESULTS

4.1 Interview transcript

Business Name: Aco Laundry

Owner: Sriyanti

Year Established: 2023

Business Type: Laundry service

Tabel 1. Results of the first participant interview

No.	Business Identity	No. of Questions	Questions	Answers
1.	Business Name: Aco Laundry Owner: Sriyanti Year Established: 2023 Business Type: Laundry service		Interviewer: Good morning, Ms. Sriyanti. We're from Khairun University. It's a pleasure to meet you today. We'd like to conduct a short interview to learn more about small businesses like yours. May we begin?	Good morning. Sure, I'm happy to help.
		1	First, how much income does your business generate on average in a month?	Source: Usually the income is around Rp. 4,500,000 per month, depending on the number of customers.
		2	Interviewer: Interesting. So, how do you manage the risks that arise in this business?	Source: One of the main risks is machine breakdown. If this happens, we repair it immediately to avoid any order delays.

No.	Business Identity	No. of Questions	Questions	Answers
				Furthermore, maintaining quality service is crucial to maintaining customer satisfaction.
		3	Interviewer: Then, if there is competition or a decrease in income, what is your strategy for dealing with it?	Source: We always ensure our customers' clothes are clean, fragrant, and neatly packaged. Our focus is on maintaining customer trust.
		4	Interviewer: How long has this business been running?	Source: We started on August 18, 2023.
		5	Interviewer: What products or services are the most popular and least popular?	Source: Wash and fold is the most popular service.
		6	Pewawancara: Baik. Terakhir, produk atau layanan apa yang paling cepat habis?	Interviewer: Okay. Lastly, what product or service sells out the fastest?
		7	Interviewer: Thank you, Ms. Sriyanti, for your explanation. I hope your business continues to be successful.	Resource Person: Thank you again.
2.	Business Name: Diasty Buket Owner: Rahasty Year Established: 2024 Business Type: Flower Bouquets		Interviewer: Hello, Ka Rahasty. Let me introduce myself. We are students working on a college assignment about MSMEs. We are very interested in your bouquet business. If you would mind, we would like to ask you a few questions.	Source: Hello too, of course. Please feel free to ask.
		1.	Interviewer: May I know how much income is generated on average in a month?	Source: My income is usually Rp. 400,000 per month, but during events like graduations, it can reach Rp. 1,000,000.
		2.	Interviewer: How do you manage risk in this business?	Interviewee: To manage risk, I must focus on flower quality by using a pre-order system to avoid losses. Furthermore, I regularly upload photos on social media to promote products and maintain relationships with customers. I also maintain accurate financial records to monitor cash flow and make informed decisions when facing business challenges.
		3.	Interviewer: If there is competition or a decrease in income, what strategy do you use?	Resource Person: I try to improve the quality and uniqueness of bouquet designs and provide price variations for various customer segments.

No.	Business Identity	No. of Questions	Questions	Answers
		4.	Interviewer: Since when did you start selling?	Source: I started on July 1, 2024.
		5.	Interviewer: What products are the best sellers and least popular?	Source: The best-selling products are graduation bouquets, money, and flowers. Products with simple designs or less attractive colors are usually less popular.
		6.	Interviewer: What product sells out the fastest?	Source: Graduation bouquets and snack towers often run out first, especially during certain seasons.
		7.	Interviewer: Thank you very much, Rahasty. I hope your business continues to grow.	Resource Person: You're welcome. I hope this information helps.
3.	Business Name: Dg Lower Bouquet Owner: Dwi Ratmi Year Established: 2024 Business Type: Flower Bouquets		Interviewer: Good afternoon, Ms. Dwi. We hope you're well. Let me introduce ourselves. We're students at Khairun University working on an assignment related to MSMEs. We'd love to learn more about your business. Would it be okay to chat for a moment?	Speaker: Good afternoon too. Okay, let's get started.
		1.	Interviewer: May I know, Ma'am, what is your average business income in a month?	Source: Our income is variable, usually between Rp 1 million and Rp 3 million. But it depends on whether there are events like graduations or birthdays.
		2.	Interviewer: How do you manage risk in this business?	Interviewee: There are several ways. We sell bouquets for various events to keep business running even outside of graduation season. To avoid losses, we also use a pre-order system, especially for snack bouquets, which use perishable ingredients.
		3.	Interviewer: Interesting strategy. If there's competition or a decline in revenue, what steps do you take?	Interviewee: We strive to create unique bouquet designs and offer friendly service. Active social media promotions also help attract new customers. We also occasionally offer small discounts or bonuses to keep customers happy.
		4.	Interviewer: Since when has this business been established?	Source: We have been running for more than a year.
		5.	Interviewer: What products are the best sellers and least popular?	Source: Flower bouquets are the best-selling items, while boxed bouquets with small dolls are less popular.

No.	Business Identity	Ques No. of Questions	Questions	Answers
		6.	Interviewer: Lastly, what product sells out the fastest?	Source: Snack bouquets are usually the ones that sell out the fastest because they are in high demand, especially for special events.
		7	Interviewer: Thank you very much, Ms. Dwi, for your time. I hope your business continues to be successful.	Interviewer: You're welcome. I hope this interview was helpful.
4.	Business Name: Kedai Farzah Owner: Nurfila Year Founded: 2022 Business Type: Drinks and snacks		Interviewer: Good afternoon, Ms. Nurfila. We're from Khairun University, and we're delighted to have you visit our business. Our goal is to learn more about the experiences of small business owners like you. If you'd like, we'd like to ask you a few questions.	Speaker: Good afternoon. Oh, with pleasure. Please go ahead.
		1.	Interviewer: May I know, Ma'am, what is the average income of this business in a month?	Source: Our income is usually around Rp. 3 million per month.
		2.	Interviewer: How do you manage risk in this business?	Source: Risk is a common occurrence in business. We usually promote our products more actively in our local area so customers don't forget about us.
		3.	Interviewer: When faced with competition or a decline in income, what strategy do you use?	Source: There are many strategies, but the most important thing is to keep posting and promoting diligently on social media platforms like Facebook, WhatsApp, and Instagram. The key is to never get tired of promoting.
		4.	Interviewer: How long has this business been running?	Source: It's been about three years.
		5.	Interviewer: What products are the best sellers and least popular?	Source: Avocado shakes, durian shakes, fruit ice, and pop ice are the best-selling options. Boba ice is less popular due to its low demand.
		6.	Interviewer: What product sells out the fastest?	Source: Avocado shake is the one that sells out the fastest because many customers love it.
		7.	Interviewer: Thank you very much, Ms. Nurfila. I hope your business continues to grow.	Speaker: You're welcome. It's nice to share stories.
5.	Business Name: Kantin Cinta Owner: Ka Ila Year Established: 2022		Interviewer: Hello, Ka Ila! It's so nice to finally meet you. We are from Khairun University would like to chat briefly about your famous culinary venture. May we ask you a few questions?	Source: Hello! Of course you can.



No.	Business Identity	No. of Questions	Questions	Answers
	Business Type: Culinary			
		1.	Interviewer: May I know, what is the average income of this business in a month?	Source: Income usually ranges from Rp. 10 million to Rp. 15 million per month.
		2.	Interviewer: How does Ka Ila manage the risks in this canteen business?	Source: We keep a neat record of every income and expense, including attaching receipts. This way, we always have a detailed view of our financial situation.
		3.	Interviewer: When facing competition, what do you usually do?	Source: Our focus is on customer satisfaction, both in terms of taste, price, and service. If customers are satisfied, they will keep coming back even if there are many other options.
		4.	Interviewer: Since when has this business been running?	Source: This business has been running for about three years.
		5.	Interviewer: What are the best-selling and worst-selling products here?	Interviewee: The best-selling product is Ayam Geprek, definitely! Plus Teh Poci, which is loved by many customers. As for the less popular products, thank God, everything has been going smoothly so far, so there's nothing that's really unpopular.
		6.	Interviewer: Which product sells out the fastest?	Source: Our smashed chicken, of course. This dish is always a customer favorite, especially at lunchtime.
		7.	Interviewer: Thank you very much, Ka Ila, for your time and very helpful answers.	Speaker: You're welcome! I hope your assignments go smoothly. Don't forget to stop by Kantin Cinta again.

Source: Research Data, 2025

4.2 Interview Result

After conducting interviews with five small and medium-sized enterprise (SME) owners across various sectors, we obtained valuable insights into business risks, risk management, and strategies for addressing competition and declining revenue. Below is a summary of the interviews with each interviewee. Aco Laundry faces the risk of washing machine breakdowns, which can lead to a backlog of orders and impact customer satisfaction. To address this, Sriyanti ensures prompt machine repairs and maintains high service quality to maintain customer trust. The strategy used to address competition and declining revenue is to provide excellent service while maintaining the cleanliness, aroma, and tidiness of the laundry. Diasty Buket faces the risk of losses due to unsold and damaged flowers. Rahasti adopts a pre-order system to reduce overbuying and actively utilizes social media

for promotions and customer engagement. Strategies used to address competition and declining revenue include improving the quality and unique designs of flower bouquets, offering a variety of prices to reach different market segments, and providing services tailored to customer demand. Dg Lower Bouquet faces the risk of a lack of customers outside of graduation season. Dwi Ratmi addressed this by selling other bouquet variations, such as birthday bouquets and hampers, and using a pre-order system for perishable products. Strategies used to address competition and declining revenue included prioritizing creativity in bouquet designs, friendly service, and active social media promotion.

Farzah's shop faced the risk of low market interest in certain products, such as boba ice. Nurfila focused on popular products, such as avocado ice and fruit ice, and actively promoted them on social media and in the local community. To address competition and declining revenue, she utilized social media for promotions and to attract new customers. Cantin Cinta faced the risk of poorly monitored financial management. Ka Ila maintained accurate records of income and expenses to monitor cash flow and make informed decisions. Strategies used to address competition and declining revenue included maintaining food quality and taste, as well as maintaining optimism and friendly service to maintain customer trust. The results of these interviews indicate that SMEs in Ternate City have implemented effective risk management and competitive strategies to mitigate risks and improve their business performance. They have identified the risks they face and developed strategies to address them, as well as leveraging social media and promotions to increase their visibility and reach.

5. DISCUSSION

MSMEs in Ternate City have implemented effective risk management and competitive strategies to mitigate risk and improve their business performance. Risk management strategies employed by MSMEs in Ternate City include a pre-order system to mitigate the risk of unsold products, a focus on core products to increase revenue and mitigate risk, and accurate financial record-keeping to monitor finances and make informed decisions. Furthermore, competitive strategies are also employed, such as product innovation to enhance product differentiation and value, social media promotions to increase visibility and reach, and excellent customer service to enhance customer loyalty. Interviews with Diasty Buket indicate that they use social media promotions to increase visibility and reach. This aligns with the competitive strategy theory (Kotler & Armstrong, 2010), which states that social media promotions can help increase product visibility and reach. By using social media promotions, MSMEs in Ternate City can increase brand awareness, boost sales, and enhance customer loyalty. In addition, MSMEs in Ternate City also employ other competitive strategies, such as product innovation to enhance product differentiation and value, and excellent customer service to foster customer loyalty. By employing these competitive strategies, MSMEs in Ternate City can increase their visibility and reach, as well as boost revenue and mitigate risk. Thus, it can be concluded that MSMEs in Ternate City have implemented effective risk management and competitive strategies to mitigate risk and improve their business performance.

5.1 Business Risks for MSMEs in Ternate City

MSMEs in Ternate City face various risks, including operational risks such as equipment breakdowns, unsold products, and poor financial management. They also face financial risks such as cash flow issues, limited capital, and ineffective financial management. Strategic risks also pose threats, such as changing consumer preferences, intense competition, and regulatory changes. Administrative risks are also a concern, such as financial record-keeping errors, lack of internal controls, and inappropriate decision-making. Sources of business risk for MSMEs in Ternate City come from both internal and external sources, including poor operational and administrative quality

internally, as well as external market changes, competition, and regulations. Therefore, it is crucial for MSMEs in Ternate City to have an effective risk management strategy to mitigate risks and improve their business performance.

In an interview with Aco Laundry, they reported using a pre-order system to mitigate the risk of unsold products. This aligns with risk management theory (ISO 31000, 2018), which states that risk identification and mitigation can help reduce losses and improve business performance. By using a pre-order system, Aco Laundry can predict the number of products to be sold and reduce the risk of losses due to unsold products. Furthermore, MSMEs in Ternate City can also employ other risk management strategies, such as product diversification, improving service quality, and utilizing technology to increase efficiency and mitigate risks. By having an effective risk management strategy, MSMEs in Ternate City can mitigate risks and improve their business performance.

5.2 Risk Management and Competitive Strategy

Risk management strategies employed by MSMEs in Ternate City include a pre-order system to mitigate the risk of unsold products, a focus on core products to increase revenue and mitigate risk, and accurate financial record-keeping to monitor finances and make informed decisions. Furthermore, competitive strategies are employed, such as product innovation to enhance product differentiation and value, social media promotions to increase visibility and reach, and excellent customer service to foster customer loyalty.

Interviews with Diasty Buket indicate that they utilize social media promotions to enhance visibility and reach. This aligns with the competitive strategy theory (Kotler & Armstrong, 2010), which states that social media promotions can help increase product visibility and reach. By utilizing social media promotions, MSMEs in Ternate City can raise brand awareness, increase sales, and enhance customer loyalty. Furthermore, MSMEs in Ternate City also employ other competitive strategies, such as product innovation to enhance product differentiation and value, and excellent customer service to foster customer loyalty. By employing these competitive strategies, MSMEs in Ternate City can enhance their visibility and reach, as well as increase revenue and mitigate risk.

5.3 Relationship of Risk to Products and Markets

Products with high demand require good inventory management and strict quality control to prevent stockouts and quality degradation. Meanwhile, products with low demand require better market analysis and product adjustments to mitigate the risk of loss. The key to success for MSMEs in Ternate City is administrative flexibility and accuracy in facing challenges and risks, as well as monitoring market and customer needs to make informed product decisions. In an interview with Dg Lower Bouque, they stated that they employ a product diversification strategy to mitigate the risk of customer shortages. By using this strategy, Dg Lower Bouque can reduce reliance on a single product type and increase their revenue. This aligns with risk management theory (Creswell, 2011), which states that product diversification can help mitigate risk and improve business performance.

Furthermore, MSMEs in Ternate City also need to monitor market and customer needs to make informed product decisions. By monitoring market and customer needs, MSMEs can identify opportunities and threats, and make more informed product decisions. This can help MSMEs in Ternate City improve their business performance and achieve success. Thus, it can be concluded that MSMEs in Ternate City need effective risk management strategies, such as product diversification, to mitigate risks and improve their business performance. Furthermore, MSMEs need to monitor market and customer needs to make informed product decisions and improve their business performance.

Thus, the interview results reinforce the theories in the literature review and demonstrate that MSMEs in Ternate City have implemented effective risk management and competitive strategies to

mitigate risks and improve performance. This demonstrates that MSMEs in Ternate City have the capacity to face challenges and risks and improve their business performance. Based on the findings and conclusions, here are some suggestions that can be implemented by small business actors: Micro, Small, and medium enterprises (MSMEs) owners in Ternate City need to improve their understanding of the types of risks their businesses face, such as operational, financial, strategic, and administrative risks. This can be done by attending training or workshops on risk management, as well as by conducting regular risk analysis. By improving their understanding of risk, MSMEs in Ternate City can identify and manage the risks facing their businesses, thereby reducing losses and improving business performance.

6. CONCLUSION

Based on interviews with several MSMEs in Ternate City, it can be concluded that they have implemented effective risk management and competitive strategies to mitigate risks and improve their business performance. They have identified the risks they face and developed strategies to address them, and utilized social media and promotions to increase their visibility and reach. MSMEs in Ternate City have employed risk management strategies such as pre-order systems, product diversification, and accurate financial record-keeping to mitigate risks and improve their business performance. Furthermore, they have also employed competitive strategies such as product innovation, social media promotions, and excellent customer service to increase their visibility and reach. These interview results reinforce the theories in the literature review and demonstrate that MSMEs in Ternate City have the capacity to face challenges and risks and improve their business performance. Therefore, it can be concluded that MSMEs in Ternate City are ready to face competition and improve their business performance in the future.

IMPLICATIONS FOR RESEARCH

MSMEs in Ternate City can also utilize social media to increase their visibility and reach, as well as interact with customers. Social media can be used to promote products, increase brand awareness, and engage with customers. MSMEs in Ternate City can also diversify their products to reduce the risk of losing customers and increase revenue. By diversifying their products, MSMEs can expand their market reach and increase revenue. MSMEs in Ternate City also need to improve their financial management by separating personal and business finances and maintaining accurate financial records. This can be achieved by using a good accounting system and regularly monitoring finances. MSMEs in Ternate City also need to improve their service quality to enhance customer satisfaction and loyalty.

By improving service quality, MSMEs can increase customer satisfaction and loyalty, thereby increasing revenue and reducing risk. By following the suggestions above, MSMEs in Ternate City can improve their business performance and achieve greater success. MSMEs in Ternate City need to improve their understanding of risk, use a pre-order system, focus on core products, utilize social media, diversify their products, improve financial management, and enhance service quality. By doing these things, MSMEs in Ternate City can improve their business performance and achieve greater success.

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