

Business Performance Assessment to Improve Strategy, Process, and Capability of Export Products

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This study aims to analyze the performance of creative industry SMEs that export in Gianyar, Bali Province, using the Performance Prism method. The choice of method is based on the superiority of the Performance Prism method and the concept of managing SMEs, namely Tri Hita Karana. This research is a descriptive study of qualitative and quantitative approaches. Data collection techniques, such as interviews, observation, questionnaires, and documentation studies, were employed in the study. The sample selection is adjusted to the characteristics of each different stakeholder. Data analysis techniques used were qualitative data analysis techniques, namely interviews to analyze stakeholders and key performance indicators (KPI). The quantitative Analytical Hierarchy Process technique was used to determine weights, Objective Matrix to score, and the Traffic Light System to group in colours. The results showed that the key stakeholders in SMEs were customers, employees, and the government and surrounding communities. The performance measurement system contains 21 KPIs, consisting of 6 Customer KPIs, 9 Employee KPIs, and 6 Government and Community KPIs. Implementation of the performance measurement system is then given a score by the Objective Matrix method, so that shows that the value of the current performance indicator is 8.88. Based on the Traffic Light System, it can be seen that there are three Yellow categorised KPIs. This means that the performance of SMEs has approached the target set but has not been able to achieve it.

Keywords: *Business, exports, economic, strategy*

JEL Classification: F13, F14, O17



Introduction

Over the past few decades, globalisation has dramatically changed the world, creating many advantages for the development of national economies. The very same economy of many countries is undergoing significant structural changes as traditional industries replaced by the service sector and innovation, marking the transition to a knowledge economy where a particular role is played by creativity (Čábelková, Strielkowski, & Mirvald, 2015; Želazny & Pietrucha, 2017). In addition, globalisation 'implies changes, opportunities and threats and not all territories across the world have the same capacity and tools to make the world an even playing field' (Rodriguez-Pose & Crescenzi, 2008).

The trade sector in particular export activities is one of the drivers of the economy. Exporting is an important part of international trade because it can expand the market share of Indonesian products and increase foreign exchange. The increase in the number of exports affects not only the increase in foreign exchange revenue but also the increase in domestic production capacity, which can give effect to the expansion of employment opportunities. International trade consists of exports and imports, although exports and imports have a positive and negative impact on economic growth. Imports of negative impacts in the long term will provide a foreign exchange leak in a country. But we have seen from the import trade balance, including macroeconomic indicators in a country. The existence of higher export value compared to the value of imports indicates that a country is growing rapidly and the impact on development financing.

The growth of the export value of MSMEs reached 182,112.70 Billion or 9.29 percent from agriculture, fishery, marine, livestock, forestry, plantation, processing industries, and mining (excavation). Research by Tian (2016) find that firms with a larger part of shares owned by the government have lower capacity utilisation. Stronger market competition leads to over-investment and therefore lower capacity utilisation rate. Faced with more rigorous labor market regulation, firms will substitute capital for the use of labor, resulting in higher capacity utilisation rate. The rapid development of creative industry in Bali Province has implications for the increasingly fierce competition climate. The efforts to make the creative industry to be able to compete, independently and can contribute greatly to the economy of Bali Province is not enough through government policy only. Therefore it is necessary to strive for strategic steps in developing creative industries in Bali Province.

According to Vargas-Hernández and Noruzi (2010), long-term government coaching and empowerment can play a role in improving the competitiveness of MSMEs in a sustainable way. Hidayat and Asmara (2017) state that economy creative is one of the new economy sources, which is promoted by the Government of Indonesia. Many creative sectors are pushed to complete the national economy in Indonesia. The result is that creative industry

and innovation are mutual relations with each other at a conceptual level. Practically, both are aimed to support national economic growth in Indonesia. Daubaraitė and Startienė (2015) define the impact of creative industries (CI) on the national economy regarding sub-sectors. The findings of this research provide the basis for targeted funding in order to foster and develop CI impact on the national economy. Another opinion by Florida (2003) says that the human capital theory establishes creativity people; it is also the driving force in regional economic growth. From that perspective, economic growth will occur in a place that has highly educated people. Research by Munawar et al. (2019) reveals that management commitment has a more significant contribution than partner relations programs on the creative industry's export performance.

The economic development in Bali Province is inseparable from the balance concept in Balinese culture. Balinese culture emphasises the importance of balance and harmoniation. This balance is called the *tri hita karana*. *Tri Hita Karana* consists of: concept and philosophy determine that the achievement of true happiness if humans live in balance and harmony: the balance of the relationship between humans and God (Supernatural beings *parahyangan*); humans and the environment (*palemahan*); and between humans themselves (community, *pawongan*). The life of the Balinese has an attachment to many social and cultural institutions. Institutions that play an important role are part of *pakraman* village, traditional villages, *subak* (rice farmers organisation), *subak abian* (highland farmers organisation), *seka* (functional groups), residents (clans), ancestral-based organisations, and *pamaksan* (congregants) temple (Gede, 2010).

This research was conducted in Gianyar, Bali Province. The business run by creative industries SMEs in Gianyar is an export business in the field of wood crafts. Business activities are based on Balinese customs and culture, namely *Tri Hita Karana*. Although basically, the goal of the business is to make a profit, do not forget about social relations with fellow craftsmen, relationships with the surrounding environment by maintaining its sustainability, and relations with the creator through religious activities. In managing a business, appropriate strategies and adequate capabilities are needed, so that the process can run smoothly to generate profits and provide welfare for business owners and all employees. Achieving the welfare in question is certainly needed contributions from employees and the craftsman community so that SMEs can continue to grow. The four objectives also show that there is involvement between financial and non-financial aspects. This causes the right performance measurement carried out in SMEs is an integrated performance measurement; in this case, the performance prism model. This model starts with stakeholder satisfaction and emphasises all stakeholders. In addition, this model is also in conformity with the objectives of creative industry SMEs in Gianyar to increase its presence in the export market.

Theoretical Framework

Stakeholder theory says that a company is not an entity that only operates for its own interests but must provide benefits for its stakeholders (shareholders, creditors, consumers, suppliers, government, society, analysts and other parties) (Gray, 2002).

Creative industries have been growing and developing in many parts of the world, especially in developed countries. The development of creative industries in certain countries more or is less connected to their own cities. The area of the creative industries has started to be looked at by not only the government, but also by academics and practitioners (Maryunani & Mirzanti, 2015; Kon, 2016). The combination of artistic creativity and local culture made Bali as one of the provinces, which is famous for its craft industry. Creativity is an inexhaustible resource-based mainly on the ideas and cultural characteristics rather than on the physical capital. That is why creativity is distributed among the countries quite equally (Skavronska, 2017; Sarijani et al., 2015). Knell and Oakley (2007) analyse London's creative economy, identified that the creative industries are a very particular kind of sector – tough to define and to connect. Only the labour and ideas pool sustain the small creative businesses, which in their turn, attract the larger ones. Jiao et al. (2017) shows profit model innovation in animation projects can be divided into Fans mode, Popular mode, Placement mode, and Failure mode, respectively. The collaboration between those various actors who play a role in the creative industry is the intellectual, the business world, and the Government, which is as the fundamental prerequisite (Masri, 2010). Research by Dincer & Tekin-Koru (2016), findings of firm-level services trade literature suggests that the stylised facts of goods trade apply to services trade as well for a set of developed countries.

Internationalisation and globalisation in the economic field are always interesting. Development of products based on culture and identity of local communities, because, as stated by Giddens (1999), the transformation of self-identity and globalisation are the two poles of local and global dialectics in conditions of high modernity. The concept of *Tri Hita Karana* is very set for Balinese people in understanding dynamic environmental changes. This gives the Balinese regularity to always be in harmony with their environment, physical and non-physical. The balance of the relationship between humans as individuals and society (the relationship between humans), the balance between the material and spiritual aspects of life (the relationship between humans and God), and the balance between short-term needs and sustainable economic development (balance with nature). This local wisdom then becomes a characteristic (uniqueness) that distinguishes it from other regions, even with other countries. It can then become the main pillar in boosting the economy through local products and establishing centres of local handicraft products.

Methodology

This study uses a performance prism performance measurement model in improving competitive strategies. Performance Prism is a performance measurement model that describes organisational performance as a prism, which is a three-dimensional structure with five sides consisting of stakeholder satisfaction, strategy, process, capability, and stakeholder contributions (Neely et al., 2002). Data analysis in this research was carried out in three stages. The first stage is using the Analytical Hierarchy Process (AHP) technique, the second stage uses the Objective Matrix (OMAX) reporting method, and the last stage uses the Traffic Light System method.

The OMAX reporting method consists of three steps, namely defining, quantifying, and monitoring. The defining step determines the factors that affect performance. In the quantifying step, the level of performance achievement is determined from the highest level (10) to the lowest (0). In the monitoring step, a record of the results of the performance achievement is recorded.

The final stage in data analysis is to group a performance indicator based on its level of achievement. If the targets in a performance indicator have been achieved and do not need improvement, they will be grouped in green. If the target has not been reached, then it will be grouped into yellow or red depending on the level of achievement. This grouping is useful to make it easier to identify performance indicators that do not meet targets while determining appropriate improvement recommendations.

Key Performance Indicators are financial and non-financial indicators used by organisations to estimate and fortify how successful they are, which previously aimed to set targets that are able to last for a long time (Velimirović et al., 2011).

The Analytical Hierarchy Process begins by defining the problem and determining the desired solution, then proceed with creating a hierarchical structure that starts with a general goal, followed by sub-goals, criteria, and possible alternatives at the lowest level of criteria. In this stage, KPI is weighted. The value of an option is obtained using the following formula.

$$bop_i = \sum_{j=1}^n bo_{ij} \times bc_j$$

bop_i = value / weight for i choice

bc_j = value associated with the j criterion

$\sum_{i=1}^n bo_{ij}$ = i choice value for the j criterion

Results and Discussion

The achievement target for each KPI is a scale of five, while the lower limit for the achievement of KPIs is a scale of zero. The measurement results can be seen in Table 1.

Table 1: Strategy and Action Plan for Developing Creative Industry Competitiveness

	Action Plan	Development Action Plan
Strategy	Increase the competitiveness of creative industries through the use of raw materials sourced from nature (to overcome the scarcity of raw materials), increase the competence of human resources and the potential for competitive markets	Expanding the distribution range of export products
		Introducing domestic and foreign products
		Human resource competency training to improve production mastery and innovative product design
	Strengthening the synergy of partnerships between stakeholders, namely the government, business people, and the community	Increasing collaboration between governments, business institutions and business people in terms of information transfer and sustainability
		Bringing together the same mindset between the government and business people to determine the existence and sustainability of creative industries development with local wisdom
	Strengthen the technology base to support the development of creative industries through marketing management and promotion using online or digital-based media	Develop technology incubators and technology mastery in groups and individually
Mapping to determine the priority of creative technology based on local wisdom		
Process	Enhance competitive advantage through efficiency and productivity	Structuring supporting industries through cultivation, relocation, and finding alternative raw materials to overcome scarcity
		Fostering and training of creative industries in areas that become centres of handicraft industries to expand distribution

		Improved transportation and communication infrastructure to facilitate the availability of raw materials from suppliers to craftsmen
	Increase efforts to create an appreciation of Intellectual Property Rights	<p>The socialisation of the importance of creativity and Intellectual Property Rights</p> <p>Fulfil the implementation of standards on work contracts that respect intellectual property rights following its rules</p>
	Increased competence of human resources in the management and utilization of raw materials	<p>Intensifying human resource training in the management of appropriate and environmentally friendly raw material processing</p> <p>Enhance collaboration with tertiary institutions to research raw material technology and innovative product designs</p>
Capability	Increased government support to minimise Intellectual Property Rights hijacking and handling	<p>Minimise the practice of pirating creative industries by highlighting the characteristics of art products based on local wisdom and regional culture</p> <p>Providing educational and advocacy services for intellectual property rights community</p>
	Strengthening a conducive business climate to support new technology investments	The socialisation of information and communications technology regulation to the entire community in a sustainable manner
		Providing technological investment incentives and technology infrastructure based digital marketing
	Increased appreciation of local culture based on quality products based on natural balance (Tri Hita Karana Philosophy)	Socialise the use of local products by building creative industry marketing centres
		Using local content in each of our creative products while keeping abreast of market trends
	Creation of schemes and financing institutions that support the development of creative industries	Developing financial institutions in the centre of creative industries such as cooperatives for joint venture groups
Prioritise financing assistance to SMEs-		

		based creative
		Supporting creative industry financing schemes through bank loans, cooperatives, and partnerships through Corporate Social Responsibility funds

At the scoring stage, data calculation and analysis is based on Questionnaire II, a questionnaire that measures the actual value of company performance based on the perceptions of each employee. The scale used in this questionnaire is a Likert scale which contains five levels of answers and is a type of ordinal scale.

Table 2: Scores Table of Each Element of the Strategy Criteria

No	Strategy	Value Provided by Respondents						Total	Actual Score
		1	2	3	4	5	6		
1	Excellent manufacturing and service strategy	4	4	4	3	4	5	24	4.00
2	Domestic and foreign marketing	4	5	4	4	5	4	26	4.00
3	Improved working conditions	3	5	5	4	3	5	25	4.17
4	Total planning for procurement of equipment and resources	4	5	5	4	4	4	26	4.00
5	Number of training plans to increase employee skills	4	4	2	3	5	5	23	3.83
6	Capital through banks and microfinance institutions	3	5	5	3	4	5	25	4.17
7	Maintaining a network of cooperation with customers and all craftsmen in the community	4	5	5	5	4	5	28	4.67

Table 3: Scores Table of Each Element Process Criteria

No	Process	Value Provided by Respondents						Total	Score
		1	2	3	4	5	6		
1	The opening of an increasingly diverse marketing channels	5	4	4	4	5	5	27	4.50
2	Domestic creative business actors have an opportunity to improve production strategy	3	3	3	3	4	4	20	3.33

3	The availability of abundant raw materials and sufficient human resources	5	5	4	4	4	4	26	4.33
4	Strong commitment from the government to improve fund disbursement	5	4	3	3	4	4	23	3.83
5	Large industrial corporate social responsibility for creative industry funding	5	5	5	5	4	5	29	4.83
6	Increased user awareness to use legal software for digital marketing	4	3	4	4	3	5	23	3.83
7	Technology improved by the telecommunications industry to support connectivity	5	3	4	4	4	5	25	4.17

Table 4: Scores Table of Each Element of the Capability Criteria

No	Capability	Value Provided by Respondents						Total	Score
		1	2	3	4	5	6		
1	Creative marketing	4	4	3	3	4	4	22	3.67
2	Strength of price and quality of imported products	3	3	4	4	3	4	21	3.50
3	Low cost competitor products	4	5	4	3	4	3	23	3.83
4	Intellectual property rights Weak handling	3	4	3	4	5	4	23	3.83
5	The decline of appreciation and Tri Hita Karana culture of domestic tolerance	3	4	4	3	2	4	20	3.33
6	The frequent use of technology illegally by business actors	4	4	4	4	4	4	24	4.00
7	Organising social activities	4	5	1	4	3	5	22	3.67

Table 5: Measurement Results of Each KPI's Achievement

No.	Strategy Criteria	Actual Score	Category
1	Excellent manufacturing and service strategy (A1)	4.00	Good
2	Domestic and foreign marketing (A2)	4.00	Good
3	Improved working conditions (B1)	4.17	Good

4	Total planning for procurement of equipment and resources (B2)	4.00	Good
5	Number of training plans to increase employee skills (B3)	3.83	Quite Good
6	Capital through banks and microfinance institutions (C1)	4.17	Good
7	Maintaining a network of cooperation with customers and all craftsmen in the community (C2)	4.67	Good
	Process Criteria		
1	The opening of increasingly diverse marketing channels (D1)	4.50	Good
2	Domestic creative business actors have an opportunity to improve production strategy (D2)	3.33	Quite Good
3	The availability of abundant raw materials and sufficient human resources (E1)	4.33	Good
4	Strong commitment from the government to improve fund disbursement (E2)	3.83	Quite Good
5	Large industrial, corporate social responsibility for creative industry funding (E3)	4.83	Good
6	Increased user awareness to use legal software for digital marketing (F1)	3.83	Quite Good
7	Technology improved by the telecommunications industry to support connectivity (F2)	4.17	Good
	Capability Criteria		
1	Creative marketing (G1)	3.67	Quite Good
2	Strength of price and quality of imported products (G2)	3.50	Quite Good
3	Low-cost competitor products (H1)	3.83	Quite Good
4	Intellectual property rights Weak handling (H2)	3.83	Quite Good
5	The decline of appreciation and Tri Hita Karana culture of domestic tolerance (H3)	3.33	Quite Good
6	The frequent use of technology illegally by business actors (I1)	4.00	Good
7	Organizing social activities (I2)	3.67	Quite Good

After each KPI is given a scale, the next step is scoring using the OMAX (Objective Matrix) method and then comparing the measurement scale and the performance scale.

Table 6: OMAX KPI Strategy

KPI	KPI						
	Customers		Employee			Government and Local Society	
	A1	A2	B1	B2	B3	C1	C2
Achievement	4.00	4.00	4.17	4.00	3.83	4.17	4.67
10	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9	4.50	4.50	4.50	4.50	4.50	4.50	4.50
8	4.00	4.00	4.00	4.00	4.00	4.00	4.00
7	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6	3.00	3.00	3.00	3.00	3.00	3.00	3.00
5	2.50	2.50	2.50	2.50	2.50	2.50	2.50
4	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3	1.50	1.50	1.50	1.50	1.50	1.50	1.50
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1	0.50	0.50	0.50	0.50	0.50	0.50	0.50
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actual Score	8	8	8	8	8	8	9
KPI Weight	0.2	0.8	0.4	0.2	0.4	0.4	0.7
Performance Value	1.6	6.4	3.2	1.6	3.2	3.2	6.3
Stakeholder Weight	0.5		0.03			0.5	

$$\begin{aligned}
 &\text{Performance value of each KPI Strategy} = \text{Stakeholder performance number} \times \text{Weight} \\
 &= (8.00 \times 0.5) + (8 \times 0.03) + (9.5 \times 0.5) \\
 &= 4.00 + 0,24 + 4,75 \\
 &= 8.99
 \end{aligned}$$

Table 7: OMAX KPI Process

KPI	KPI						
	Customers		Employee			Government and Local Society	
	D1	D2	E1	E2	E3	F1	F2
Achievement	4.50	3.33	4.33	3.83	4.83	3.83	4.17
10	5.00	5.00	5.00	5.00	5.00	5.00	5.00

9	4.50	4.50	4.50	4.50	4.50	4.50	4.50
8	4.00	4.00	4.00	4.00	4.00	4.00	4.00
7	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6	3.00	3.00	3.00	3.00	3.00	3.00	3.00
5	2.50	2.50	2.50	2.50	2.50	2.50	2.50
4	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3	1.50	1.50	1.50	1.50	1.50	1.50	1.50
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1	0.50	0.50	0.50	0.50	0.50	0.50	0.50
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actual Score	9	7	9	8	10	8	8
KPI Weight	0.5	0.5	0.3	0.5	0.2	0.5	0.5
Performance Value	4.5	3.5	2.7	4.0	2.0	4.0	4.0
Stakeholder Weight	0.5		0.03			0.5	

Performance value of each KPI Process = Stakeholder performance number x Weight
 $= (8.00 \times 0.5) + (8.7 \times 0.03) + (8 \times 0.5)$
 $= 4.00 + 0.261 + 4.00$
 $= 8.26$

Table 8: OMAX KPI Capability

KPI	KPI						
	Customers		Employee			Government and Local Society	
	G1	G2	H1	H2	H3	I1	I2
Achievement	3.67	3.50	3.83	3.83	3.33	4.00	3.67
10	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9	4.50	4.50	4.50	4.50	4.50	4.50	4.50
8	4.00	4.00	4.00	4.00	4.00	4.00	4.00
7	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6	3.00	3.00	3.00	3.00	3.00	3.00	3.00
5	2.50	2.50	2.50	2.50	2.50	2.50	2.50
4	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3	1.50	1.50	1.50	1.50	1.50	1.50	1.50
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1	0.50	0.50	0.50	0.50	0.50	0.50	0.50
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Actual Score	8	7	8	8	7	8	8
KPI Weight	0.4	0.7	0.2	0.4	0.4	0.5	0.5
Performance Value	3.2	4.9	1.6	3.2	2.8	4.0	4.0
Stakeholder Weight	0.5		0.03			0.5	

$$\begin{aligned}
 &\text{Performance value of each KPI Capability} = \text{Stakeholder performance number} \times \text{Weight} \\
 &= (8.1 \times 0.5) + (7.6 \times 0.03) + (8 \times 0.5) \\
 &= 4.05 + 0.228 + 4.00 \\
 &= 8.28
 \end{aligned}$$

Table 9: KPI Performance Value Recapitulation

No.	KPI Performance	Value	No.	KPI Performance	Value	No.	KPI Performance	Value
1	A1	1.6	8	D1	4.5	15	G1	3.2
2	A2	6.4	9	D2	3.5	16	G2	4.9
3	B1	3.2	10	E1	2.7	17	H1	1.6
4	B2	1.6	11	E2	4.0	18	H2	3.2
5	B3	3.2	12	E3	2.0	19	H3	2.8
6	C1	3.2	13	F1	4.0	20	I1	4.0
7	C2	6.3	14	F2	4.0	21	I2	4.0

$$\text{Company Performance Value} = \text{Total performance of all KPI criteria} \times \text{Weight}$$

$$\begin{aligned}
 &= (8.99 \times 0.5) + (8.26 \times 0.03) + (8.28 \times 0.5) \\
 &= 4.495 + 0.2478 + 4.14 \\
 &= 8.8828
 \end{aligned}$$

Table 10: Recapitulation of KPI Stakeholder Satisfaction Performance and Stakeholder Contribution KPI

KPI Stakeholder Satisfaction	Performance Value	KPI Stakeholder Satisfaction	Performance Value
A1	1.6	A2	6.4
B1	3.2	B3	3.2
B2	1.6	C2	6.3
C1	3.2	D2	3.5
D1	4.5	E3	2.0
E1	2.7	F2	4.0

E2	4.0	G2	4.9
F1	4.0	H3	2.8
G1	3.2	I2	4.0
H1	1.6		
H2	3.2		
I1	4.0		
Total	36,8	Total	37,1
Averages	3,067	Averages	3,092

Traffic Light System consists of three colours, namely red, yellow, and green which represent the conditions of a performance indicator. If the OMAX scale shows a value of 8 to 10, then the performance indicators are in the green group. Green indicates that a performance indicator has been reached or even exceeded the target. The green colour also indicates that there are no recommendations for improvement for these performance indicators. If the OMAX scale shows values ranging from 4 to 7, then the performance indicators are in the yellow group. Yellow indicates that a performance indicator has not been reached even though it is close to the target. This colour means that management must be careful with various possibilities so that improvement recommendations are needed for these performance indicators. If a performance indicator shows a value of 0 to 3, then the performance indicator is included in the red group. The red group means that the achievement of a performance indicator is really below the target set and requires immediate improvement so that recommendations for improvement are needed for the performance indicators in this colour group.

After classification using the Traffic Light System, it is known that there are eighteen KPIs in the green category and three KPIs in the yellow category. In the Strategy criteria, there are seven KPIs that are in the green category, namely KPI A1, KPI A2, KPI B1, KPI B2, KPI B3, KPI C1, and KPI C2. In the Process criteria, there are six KPIs that are in the green category, namely KPI D1, KPI E1, KPI E2, KPI E3, KPI F1, and KPI F2. In the process criteria, there is one KPI that is in the yellow category, namely KPI D2. In the Capability criteria, there are five green KPIs, namely KPI G1, KPI H1, KPI H2, KPI I1 and KPI I2. In addition, there are two yellow categories KPI, namely KPI G2, and KPI H3.

Based on table 9, it can be seen the performance value of each element of performance indicators that show the actual performance of creative industry SMEs in the village of Kedisan, Gianyar, Bali. An example is KPI A1 and KPI A2 on strategy criteria. KPI A1 has a performance value of 1.60 while KPI A2 has a performance value of 6.40. This means that the performance of KPI A2 is far greater than KPI A1 and so on so that it is known that KPI A2, namely the application of domestic and foreign marketing systems has the highest achievement performance value of all KPIs. Conversely, the lowest KPI achievement is 1.60

achieved by KPI A1, KPI B2 and KPI H1 or Excellent manufacturing and service strategy (A1), total planning for procurement of equipment and resources (B2), and Low-cost competitor products (H1). Based on table 9 can be seen the total performance value and each criterion. KPI Criteria The strategy has a performance value of 8.99 with a weight of 0.5 or the biggest weighting of the three KPI criteria. Process Criteria has a performance value of 8.26 with a weight of 0.03. At the same time, the Capability criteria have a performance value of 8.28 with a weight of 0.5. This means that each of the KPI criteria has shown optimal achievement. Based on Table 9, it is also known that the total performance value for creative industries SMEs is 8.8828. This value has exceeded the performance value targeted by the creative industry SMEs, which is 7.00.

Based on Table 10, it can be seen that the performance value of Stakeholder Satisfaction is judged by the average constituent KPI of 3.067. While the performance value of Stakeholder Contributions is assessed from the average of the constituent KPIs is 3.092. Thus, it can be interpreted that the contribution made by the stakeholders is higher than the satisfaction they get from SMEs. Based on the analysis using the Traffic Light System, it can be seen that the business performance of creative industries SMEs entered into the yellow category with a performance value of 8.8828. Even though this value has exceeded the expected performance value of 7.00, SMEs must still be careful with a variety of possibilities. The analysis also shows that there are 3 KPIs out of 21 KPIs that fall into the yellow category. The yellow category means that the KPI has entered into the category of having a good achievement, but has not achieved the expected performance. The three KPIs included in the yellow category, two of them are elements of the Capability KPI. This means that the capabilities owned by SMEs are still inadequate compared to the established strategies and the processes implemented. KPIs included in the yellow category include; domestic creative business actors have an opportunity to improve production strategy (D2), the strength of price and quality of imported products (G2) and the decline of appreciation and Tri Hita Karana culture of domestic tolerance (H3).

Factors affecting exports are domestic factors and international market factors. One of the domestic factors is the amount of production; the production subsidy from the government is proven to stimulate the exports of a country (Girma et al., 2007). Labour factors have a direct influence on the production process. Travkina & Tvaronavièiene (2011), the relationships between export competitiveness and separate productivity factors are complex. In the research it is assumed, that export competitiveness is derivative of main factors' productivities, therefore properly presented and juxtaposed data on labour, capital and energy productivity/intensity would provide with new insights about character of relations between export competitiveness and main production factors productivities. According to Squazzoni (2009), and Zahonogo (2016), this research deals with the pivotal role played by community development corporations (CDCs) in local economic initiatives from the bottom-up this study

investigates how trade openness affects economic growth in developing countries, with a focus on sub-Saharan Africa (SSA).

Local Economic Development is essentially a partnership process between the local governments and stakeholders including the private sector in managing natural resources and human and institutional resources both through a partnership pattern to encourage the growth of regional economic activities and create new jobs. Research by Mensah et al. (2013), local economic development involves identifying and using primarily local resources, ideas and skills to stimulate economic growth and development, to create employment opportunities, reduce poverty, and redistributing resources and opportunities to the benefit of local residents. Growth and development cannot take place in an institutional and legal vacuum. According to Mokoena (2017); Rogerson and Rogerson (2010); Heideman (2011), Pike et al. (2015), the pilot project is attempting to show that municipal LED staff can play the role of facilitator for initiating the enterprise-identification process and further mobilise state enterprise support agencies around the locus of LED, without crossing the line between facilitation and implementation of projects'.

Conclusions

Based on table 10, it can be seen that the satisfaction received by stakeholders is not equivalent to the contribution made. The lowest stakeholder satisfaction is owned by KPI A1 or Excellent manufacturing and service strategy, KPI B2 or Total planning for procurement of equipment and resources, and KPI H1 or low-cost competitor products, each of which has a performance value below 2.00. Based on the results of the analysis, SMEs should pay more attention to the level of importance of each KPI because KPIs that get high scores get the lowest performance scores due to low weights such as KPI A1. Likewise, KPI B2, which has the highest score in the Strategy Criteria, gets the lowest performance value. This also applies to the KPI H1. Ranking this importance is important because it will give priority to the things that must be developed by SMEs. Based on table 10 it can be seen that the Excellent manufacturing and service strategy has the lowest performance value of all KPIs because this KPI has a low weight which means that the KPI is less important than other elements in the same criteria. This can affect the reluctance of customers to buy products produced by creative industry SMEs because the manufacturing strategies and services provided to customers who come are considered less important by SMEs. This customer reluctance will have an impact on the number of sales. Therefore, SMEs should reconsider the ranking of the importance of each performance indicator. Based on the classification using the Traffic Light System, it can be seen that there are two Capability KPIs that fall into the yellow category. This number is quite high compared to the process criteria which have one yellow categorised KPI. This means that the capability of SMEs to implement good processes is still inadequate.



Therefore, SMEs should pay attention again to the capabilities needed to carry out the strategy so that the process can run better.

The strategy of LED application in Gianyar, Bali Province, through partnership forum has been proven in increasing the local capacity both ability of stakeholder's cooperation and optimisation of local natural resources. However, it does not mean the process and practice of applying the concept of LED in Bali Province works optimally. The activities undertaken to gain a competitive advantage in the creative industry in this research can be summarised as follows: Improving the competitiveness of creative industries through the utilisation of raw materials, human resources and market potential, strengthening partnerships between government and business actors, the establishment of technology base to support the development of the creative industry, to increase competitive advantage through efficiency and productivity, to increase efforts to create an asset on the intellectual property rights, to increase the capability of human resources in utilising raw materials, to increase government support to minimise piracy and handling intellectual property rights, strengthening a conducive business climate to support new technology investments, enhanced appreciation of quality local cultures and products, creation of schemes and financing institutions that support the development of creative industries.

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