Regional Core Competence on the Basis of Small Scale Industries (SSIS): Case of Makassar City, Indonesia

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ABSTRACT

The objective of this study was to propose the practical methods to apply core competencies concept in small scale industries (SSIs) for determination regional core competence of the Makassar City. Two groups of samples respondent consisting of 12 experts and 20 entrepreneurs of owners SSIS selected by purposive sampling method. The data were collected through survey techniques and two series of focus group discussion (FGD), then analyzed using identification, matrix ranking, tree diagram and expected value, value chain, regional core competence, and SWOT. The result of the case study and FGD shows that the core competence of the core product (i.e. passion fruit juice products) was distinctive aroma and flavor and medical content which identified in the operating activities. The core competence of SSIs determined as regional core competence of Makassar City. To develop of the regional core competencies recommended several strategies priority, such as developing human resources abilities of farmers and entrepreneurs, building information and knowledge sharing between the entrepreneurs with farmers and traders, building cooperation with universities, and improving a business environment that is conducive to SSIs.

The implication of this study is that this will contribute to the theory by providing practical methods to apply the concept of core competencies in regional development. This study also offer practical and social implications, such as strengthening competitive advantage and profitability of SSIs, improving the region's economy and competitiveness, and finally be able to assist in the alleviation of poverty in the region.

Keywords: Superior product, core product, core competence, regional core competence, small scale industries