

# Partnership strategy patterns of micro, small, and medium enterprises in increasing the productivity of crocodile leather artisans in Mimika Regency

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## Article History

Received on 20 May 2025

1<sup>st</sup> Revision on 2 June 2025

Accepted on 10 June 2025

## Abstract

**Purpose:** This study aims to analyze partnership strategies between Micro, Small, and Medium Enterprises (MSMEs) and various stakeholders particularly NGOs and financial institutions to enhance the productivity of crocodile leather craftsmen in Mimika Regency, Papua. It explores how institutional collaboration can strengthen market access, financial literacy, and sustainability.

**Research/methodology:** The study uses a qualitative descriptive approach with a case study design. Data collection techniques included in-depth interviews, observation, and documentation, involving key stakeholders such as MSME actors, local government agencies, and partner institutions. The data were analyzed thematically to identify key patterns and collaborative practices.

**Results:** The findings show that strategic partnerships especially with NGOs and cooperative financial entities significantly improve production management, marketing outreach, and product value for local craftsmen. NGOs play a critical role in mentoring, capacity building, and ensuring sustainability through continuous engagement. However, the absence of formal contracts and inconsistent raw material supply remains a challenge.

**Conclusions:** Strategic partnerships with NGOs and financial institutions effectively enhance the productivity and sustainability of crocodile leather MSMEs in Mimika. These collaborations support business capacity and market access. However, supply chain vulnerabilities due to informal contracts and raw material instability remain key challenges. Strengthening institutional agreements is essential for long-term MSME resilience.

**Limitations:** The study is limited to a single regency and focuses primarily on crocodile leather MSMEs, which may not reflect broader MSME dynamics in Papua. Furthermore, the data are predominantly qualitative, limiting generalizability.

**Contribution:** This research contributes to the discourse on MSME development in remote regions by emphasizing the role of sustained institutional partnerships and ongoing mentoring. It offers a replicable model for MSME empowerment through hybrid collaboration strategies that blend financial inclusion and technical support.

**Keywords:** *Crocodile Leather Craftsmen, Partnership Strategies, PESTEL Analysis*

**How to Cite:** Parrangan, B., Iek, M., & Hafizrianda, Y. (2025). Partnership strategy patterns of micro, small, and medium enterprises in increasing the productivity of crocodile leather

## 1. Introduction

The crocodile leather craft industry in Indonesia is one of the micro, small, and medium enterprises (MSMEs) sectors that has great potential in the economy, both in terms of labor absorption and its contribution to regional income (Buji, Alexandro, Hariatama, & Uda, 2025). Crocodile leather production is often focused on high-value handicrafts such as bags, shoes, and other accessories that are in high demand in both domestic and international markets. However, despite the large market potential, MSME crocodile leather artisans still face many challenges, including limited access to wider markets, limitations in the production process, and lack of access to capital and technology (Nursanty, Dasilva, Ambarwati, Fatarina, & Zhafira, 2023).

One of the main challenges faced by crocodile leather artisans is the limited production capacity and the quality of products that can be produced. MSMEs often struggle to access the necessary technology and resources to improve product quality and production efficiency. Additionally, artisans are hindered by managerial and marketing issues that are less effective, leading to low competitiveness in the global market. Therefore, one solution that could help increase productivity and competitiveness of crocodile leather artisans is through the implementation of more effective partnership models between MSMEs and related parties, such as financial institutions, technology providers, and markets (Pertiwi, Shafyra, Arifin, & Azmy, 2024).

MSME partnerships can be defined as collaborations between MSMEs and other parties, such as other MSMEs, large companies, or financial institutions, to achieve common goals. There are various types of MSME partnerships, such as core-plasma partnerships, franchises, subcontracts, and others. Partnerships offer benefits to artisans, including improved access to markets, capital, technology, and training. In the context of MSMEs, partnerships can take the form of collaborations between artisans and large companies, educational institutions, or even government agencies. A good partnership model can strengthen the bargaining position of artisans, open up wider market access, and increase productivity overall (Mawarni & Feryanto, 2023). In this context, partnerships can be seen as a way to address resource limitations and accelerate the innovation process (Novirin, 2025). Well-structured partnership models can help artisans gain access to training, funding, and broader market information.

However, despite the recognized importance of partnerships in improving productivity, many crocodile leather artisans have not maximized these opportunities. Artisans often struggle to find the right partners and lack understanding of how to manage partnerships professionally. This leads artisans to rely more on traditional methods, which are less efficient and pose risks to the long-term sustainability of their businesses (Rizky, Anwar, Ardian, & Suharsono, 2024). Therefore, this study aims to explore and analyze how the right partnership models can enhance the productivity of crocodile leather artisans. Data from the Ministry of Cooperatives and SMEs in 2022 indicates that although the government has made efforts to increase the competitiveness of MSMEs, there are still significant gaps in terms of technology adoption and efficient business management. For example, many crocodile leather artisans have not optimized the use of technology in the production process, such as modern leather cutting tools or more efficient inventory management systems. In terms of marketing, many artisans still rely on local markets, without taking advantage of wider digital marketing opportunities.

On the other hand, global trends show a growing demand for crocodile leather products, especially in international markets. According to a report from the Central Statistics Agency (BPS) in 2021, exports of Indonesian leather products experienced significant growth in recent years, including crocodile leather products. This indicates that crocodile leather artisans have the potential to expand their market reach, but only if they can improve production capacity and product quality through effective partnership models. Several previous studies also indicate that partnerships between MSMEs and other sectors can improve access to capital, technology, and markets. Research by A. N. B. Utama, Husain, Piola, and Al-Amin (2024) revealed that MSMEs involved in partnerships with

financial institutions have a greater chance of accessing credit with lower interest rates and easier terms. Such partnerships are not only financially beneficial for MSMEs but can also open opportunities for them to access managerial training and product development.

However, there is a gap in existing studies regarding how these partnership models can be specifically applied to crocodile leather artisans. Most studies focus on other sectors, such as handicrafts or other local products, and do not directly address the challenges and potential within the crocodile leather craft industry. This creates a gap in understanding how the right partnership models can be adapted to meet the specific needs of crocodile leather artisans, particularly those in Mimika Regency. Based on the above description, it can be concluded that with a better understanding of effective partnership models, artisans are expected to optimize the resources available, improve product quality, and expand their markets, both nationally and internationally. Therefore, the author attempts to research this to analyze partnership models that can increase the productivity of crocodile leather artisans and identify the factors that may influence the success of these partnerships.

## **2. Literature review**

### **2.1 Definition of MSMEs**

Micro, Small, and Medium Enterprises (MSMEs) are productive business units that operate independently, conducted by individuals or business entities across all economic sectors (Husaeni & Dewi, 2019). According to the Central Statistics Agency (BPS), MSMEs are defined based on the quantity of labor. Small enterprises are businesses that employ between 5 and 19 people, while medium enterprises are those that employ between 20 and 99 people.

Micro enterprises are business activities that can expand employment opportunities and provide economic services to the community, contributing to equitable development and income enhancement, fostering economic growth, and playing a role in achieving national stability (Evendia, Firmansyah, & Riananda, 2022). In addition, micro enterprises are one of the main pillars of the national economy that receive primary opportunities, support, protection, and development as a manifestation of strong commitment towards the people's economic enterprises, without disregarding the role of large enterprises and state-owned enterprises (Jamaludin, 2017). According to the Ministry of Manpower (Depnaker), micro enterprises are those with fewer than 5 employees. The characteristics of MSMEs are as follows:

1. They are numerous and spread out.
2. They are labor-intensive.
3. They are carried out by various levels of society.
4. The technology used is proportionate to production factors and conditions.
5. They have the ability to survive economic crises.
6. The capital used comes from the owner's personal savings.
7. Other capital sources are still related to the business owner.
8. The products produced are relatively inexpensive and simple.
9. They are dynamic and adaptable to changes.
10. They are flexible and able to withstand competition from large industries

### **2.2 Strategy**

Strategy etymologically comes from the word "strategos" (general) from Classical Greek, which was originally used to describe military tactics and leadership. The Greek verb related to "strategos" can be interpreted as planning and defeating enemies in an effective way based on available resources, or as the art commonly used by commanders in war to ensure the victory of their forces (Timpal, Pati, & Pangemanan, 2021). Etymologically, in organizational management, the use of the word strategy refers to the main tactics, methods, and systems designed systematically to carry out management functions, aimed at achieving organizational goals (Najamuddin, 2020).

Strategy is a comprehensive and integrated plan that connects an organization's internal strengths and weaknesses with the opportunities and threats in its external environment (Muklim, 2024). Strategy involves setting long-term objectives that are fundamental to all organizations, followed by planning

activities and allocating the resources needed to achieve these objectives. Based on the above definitions, strategy can be concluded as a tactic or plan developed to achieve goals and objectives previously determined by a group of people. Formulating a strategy is the process of preparing future steps to build an organization's vision and mission, set strategic and financial goals, and design strategies to achieve these goals in order to provide the best customer value..

### **2.3 MSME Partnerships**

In Government Regulation No. 44 of 1997 on Partnerships, it is explained that the meaning of partnership is a business cooperation between small enterprises and medium or large enterprises, accompanied by guidance and development from medium or large enterprises, with attention to mutual need, mutual strengthening, and mutual benefit. A business partnership is a cooperation between two parties with equal rights and obligations and mutual benefits (Anugrah, Djodjobo, & Rizza, 2022). The concept of partnership is a form of corporate social responsibility towards its environment, in line with the goal-oriented or participatory management concept. According to the participatory management concept, large companies must also be responsible for developing small businesses and their customer communities, as ultimately, only partnerships can ensure the existence of large companies.

The concept of partnership is based on a complementary civil society model for MSME development, which can improve the welfare of the community and explain business networks: First, from the exchange perspective. Second, the resource dependence model, which has greatly influenced organizational and business studies. To ensure that partnerships between large and small enterprises are natural and sustainable, business relationships should follow these principles:

1. Mutual benefit and mutual need.
2. Focus on enhancing competitiveness.
3. Meet the following aspects:
  - a. Competitive prices compared to others.
  - b. Good quality as agreed.
  - c. Quantity, meaning the ability to meet specified amounts.
  - d. Timely delivery as agreed.
4. The willingness of large enterprises to provide guidance to small enterprises as their business partners. The goal of cooperation or partnerships is to create a synergistic relationship where no party is sacrificed for the benefit of another.

### **2.4 Productivity**

Productivity refers to how to produce or improve the output of goods and services as much as possible by utilizing resources efficiently (Supriyatna, Agus, & Kusumah, 2022). Productivity is often defined as the ratio between output and input over a specific period. It is a mental attitude that entrepreneurs adopt to improve the efficiency of using production inputs for goods or services (Bachtiar & Anshori, 2024). Productivity is a mindset with a forward-looking orientation, which aims to be better than today.

In terms of implementing productivity in an organization, it can be applied to both business organizations or the private sector, and public service organizations or the public sector (Mochammad & Puspitadewi, 2021). Based on market mechanisms, the private sector is considered capable of surviving in the economy because quality standards are determined by the market or consumers, both in terms of quality and quantity. Even though MSMEs operate on a smaller scale, they are still considered business organizations or the private sector. Even at a simple and micro scale, MSMEs are expected to generate profit.

### **2.5 PESTEL Analysis**

PESTEL analysis is an acronym for political, economic, sociocultural, technological, legal, and environmental factors. PESTEL analysis is a tool to assess factors within a country or market and analyze how these factors affect a company's success in market competition (A. Utama, Kurniawan,

& Normawati, 2023). Political factors include government policies and legislative changes affecting the economy, such as taxes and labor laws. Economic factors include inflation, exchange rates, recession, supply and demand. Sociocultural factors include consumer demographics, culture, and lifestyle. Technological factors include technological changes, how technology is used across sectors and industries, and research. Legal factors affecting businesses include consumer laws, copyright laws, and health and safety laws. Environmental factors have little direct connection with actual business operations, covering climate, pollution, weather, and environmental laws.

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Figure 2. Expansion of the PESTLE Acronym Analysis or Analisa PESTEL

PESTLE analysis serves as a useful tool to understand the broader environment in which a company operates. It helps identify opportunities and threats within that environment, enabling a company to seize opportunities and mitigate threats (Yuantio, Raharja, & Aminah, 2023). One of the strengths of PESTLE analysis is its simple framework, which makes it easy to use for problem analysis. Additionally, PESTLE analysis covers a wide range of expertise, providing a comprehensive approach to identifying potential threats while also enhancing strategic thinking within a company. It offers mechanisms to identify and exploit new opportunities while also recognizing challenges in entering new markets (Shatskaya, Samarina, & Nekhorosheva, 2016). For a company, PESTLE analysis has two primary functions. First, it provides a comprehensive overview of the environment where the company will operate. Second, it supplies data and information that can help the company predict future situations and conditions. PESTLE analysis can be categorized as a premature condition analysis that can be maximized in strategic management. A company can use the results of PESTLE analysis to perform processes such as the following:

1. Brainstorming Issues - Sorting and surveying key issues outside the company's control.
2. Identifying Possible Impacts - Assessing the potential impacts of each issue.
3. Measuring the Importance of Each Factor - Evaluating the relevance of each factor to the company.
4. Assessing the Likelihood of Each Factor Occurring - Gauging the probability of the factors happening.
5. Considering the Effects - Thoughtfully assessing the impacts that will result if the issue occurs.

### 3. Methodology

The research methodology used in this study is a descriptive qualitative approach aimed at obtaining an in-depth understanding of the partnership strategies of MSMEs to increase the productivity of crocodile leather artisans in Mimika Regency. The research was conducted from January to April 2025, focusing on crocodile leather artisans across various districts in Mimika. The data used includes both qualitative and quantitative data. Qualitative data was obtained from in-depth interviews and direct field observations, while quantitative data encompasses numerical information such as the

number of artisans, production volumes, and types of products produced. Primary data sources include crocodile leather artisans, representatives from the Mimika Regency Industry and Trade Office, business practitioners, NGOs (YPMAK), communities, and local media. Secondary data was gathered from documents, official reports, and relevant archives.

Data collection was carried out using three main techniques: direct observation of the production processes and partnership interactions, semi-structured interviews with key informants selected purposively based on their involvement in the crocodile leather industry value chain, and documentation of various written sources supporting the analysis. Data analysis was conducted using the Miles and Huberman model, which includes three main stages: data reduction, data presentation, and conclusion drawing. To support external strategy analysis, the PESTLE method (Political, Economic, Social, Technological, Environmental, Legal) was also used to identify macro-environmental factors affecting the dynamics of partnerships and productivity. The results of this analysis were then used as the basis for formulating strategies for empowering and strengthening sustainable partnerships.

## **4. Results and discussions**

### **4.1 Research Findings**

#### *4.1.1 Production and Marketing of Crocodile Leather Crafts*

##### **a) Types of Production**

The crocodile leather crafts produced by artisans in Mimika are dominated by fashion items and accessories. Sri Wahyuni, one of the artisans, mentioned that the main products produced are wallets and bags, with production reaching around 200 wallets and two dozen bags per week. These products are made using crocodile leather sourced from the local community, although the tanning and processing are still done self-taught without sufficient technical training. Arifin, another artisan, also confirmed that the products they produce are bags and wallets, though he did not specify production numbers.

Guntur, a seller, mentioned that the crocodile leather products sold in his store are bags and wallets. He emphasized that product quality heavily depends on the artisans' skills, and the designs are entirely made by the artisans without collaboration with professional designers. Yulianti Rante from the Department of Industry and Trade observed a development in variations of bag and wallet designs over the years, showing that artisans continue to innovate despite limited resources.

The crocodile leather craft production process in Mimika is done traditionally with limited tools and technical training. Sri Wahyuni explained that the tanning process is self-taught, without formal training from the government or related institutions. This indicates that artisans rely on their own knowledge to process raw materials into finished products like wallets and bags. Arifin added that they have never received technical assistance from any party, including in the critical tanning process. Overall, crocodile leather crafts in Mimika produce products such as bags, wallets, and other accessories, with a production process still relying on the artisans' self-taught skills. The production volume varies, typically on a small to medium scale, with the main challenges being limited raw materials, capital, and technical training. Marketing is done through social media, stores, and exhibitions, but there is no integrated strategy to expand markets or increase product value through design innovation and branding.

##### **b) Production and Marketing Volumes**

In terms of production volume, Sri Wahyuni mentioned that her business produces around 200 wallets and two dozen bags per week, with the help of her husband and four employees. This production figure indicates a small to medium-scale business. Meanwhile, Arifin and other artisans did not specify their production volumes but acknowledged that their production heavily relies on the availability of raw materials and capital. Regarding sales, the dominant marketing strategy is through digital platforms like TikTok and Facebook, as mentioned by Sri Wahyuni and Arifin. They utilize social media to reach a broader customer base without relying on conventional marketing or local newspapers. Additionally, Guntur mentioned that crocodile leather crafts are sold in his store with

prices starting from IDR 500,000 for a wallet. He also stated that his products had been brought to government-facilitated exhibitions, though there has yet to be a structured marketing strategy.

Participation in exhibitions organized by the Department of Industry and Trade, as explained by Rosmina Helpon and Yulianti Rante, is one of the sales outlets for artisans. However, its effectiveness has yet to be evaluated. The media also plays a role in promoting products through news coverage, although its impact on sales has not been explicitly measured. Overall, crocodile leather craft production in Mimika is still traditional, relying on local raw materials and limited labor. Production volumes vary between artisans, with an average small-scale production. Marketing depends on social media and exhibitions, but there is no integrated strategy for broader market penetration, both domestically and internationally. Limited tools, technical training, and capital are the main barriers, as acknowledged by the artisans and sellers interviewed.

#### *4.1.2 Challenges and Expectations*

##### **a) Challenges**

Based on interviews with various informants, crocodile leather artisans in Mimika face multidimensional challenges that are interconnected. Sri Wahyuni and Arifin, as artisans, revealed that the main constraint is limited capital, where difficulty in accessing adequate financing hinders business development. Sri Wahyuni specifically highlighted the issue of purchasing crocodile leather from the local community, which is hindered by insufficient funds, while Arifin relies on the People's Business Credit (KUR) scheme, which has not fully addressed the long-term working capital needs.

Technical challenges also represent significant barriers. Sri Wahyuni explained that the tanning process was learned on her own without formal training, which may affect the quality and standardization of the products. This issue is worsened by the lack of government assistance in providing production equipment, as acknowledged by Rosmina Helpon and Yulianti Rante from the Department of Industry and Trade. The limited technical assistance contrasts with the findings from Lemasko, a local NGO, which has provided limited training, indicating a gap between the needs of artisans and the available programs. Regarding marketing, although Sri Wahyuni, Arifin, and other artisans have utilized social media platforms like TikTok and Facebook, they face challenges in accessing broader markets. Guntur, a seller, highlighted that high product prices make it difficult to penetrate the mass market. Participation in government-facilitated exhibitions, as explained by Rosmina Helpon, has not been matched with a structured marketing strategy or impact evaluation, leaving the effect on sales growth unmeasured.

Institutional issues further complicate the situation. Rosmina Helpon and Yulianti Rante acknowledged the lack of detailed supervision and evaluation of government programs, while a journalist's insight pointed out the lack of media coverage on product innovations or sustainability issues. Sri Wahyuni emphasized the importance of legal certification for raw materials from the Jayapura KSDA, as a requirement for business sustainability, highlighting the regulatory complexity amid potential crocodile conservation conflicts. Socio-economic factors, such as the limited number of crocodile leather artisans in Timika, could weaken collective bargaining power and the lack of optimal, ongoing mentoring for local artisans.

From the information gathered above, it can be generalized that the challenges faced by crocodile leather artisans in Mimika are structural and interconnected, as follows:

##### **1) Limited Capital and Raw Materials**

The limitations of capital and raw materials in the crocodile leather craft business in Mimika result in a complex impact, from production to marketing. The lack of capital causes unstable raw material supplies, limits production capacity, and leads to higher unit costs, making the product prices less competitive. The quality and innovation of the products are hindered by the lack of investment in development and technology, as well as traditional tanning processes. Dependence on local suppliers and insufficient promotional funds limit marketing networks, making it difficult to compete in a broader market. Overall, this limitation hampers the development of the crocodile leather craft business ecosystem, keeping businesses at a small scale with low productivity and

increasing the risk of stagnation and loss of competitiveness. Without proper intervention, the economic potential of these crafts cannot be fully exploited, thereby reducing the added economic value to the local economy.

2) Lack of Technical Capacity and Technology

The lack of technical capacity and technology in crocodile leather production causes a chain effect that significantly impacts quality and efficiency. The absence of adequate tanning techniques results in products with inconsistent quality and higher production costs, as the process still relies on traditional methods. The limited technical knowledge restricts design variations and innovation, making the products less appealing in a competitive market. Inability to meet strict quality standards complicates access to premium and export markets. Furthermore, the lack of modern technology limits production capacity and response to market demand, creating a stagnation cycle that reduces competitiveness. As a result, crocodile leather crafts are trapped in the local market with limited segmentation, and the economic potential of the raw materials cannot be maximized, reducing the contribution of this sector to the local economy. With proper technical and technological support, this craft has the potential to become a regional flagship product with significant added value.

3) Disjointed Marketing

Non-integrated marketing results in fragmentation in promotional and distribution strategies for crocodile leather crafts, leading to inefficiency in reaching potential markets. An uncoordinated approach causes inconsistent branding messages, making it difficult for the product to build a strong brand identity. Sporadic promotional activities, such as reliance on social media without a well-structured content strategy, reduce brand awareness among consumers. The lack of a structured distribution channel limits the product to local markets, relying on conventional sales methods that hinder entry into premium market segments. Additionally, price inconsistencies across distribution channels create unclear perceptions of product positioning. Non-integrated marketing also reduces competitiveness with more advanced brands, making it difficult for the product to differentiate itself and only relying on price. As a result, this craft business is stuck in the local market with untapped potential at the regional or national level. Without an integrated marketing system, the business risks stagnating and missing out on opportunities to enhance its economic value, despite having significant potential as a flagship commodity.

4) Partial Institutional Support

Incomplete institutional support results in imbalances in the development of crocodile leather crafts, with sectoral and uncoordinated policies. Important aspects such as technical capacity building, access to capital, and marketing are not aligned, making the development initiatives less effective. Training without continuous mentoring makes it difficult to apply knowledge, while unassessed exhibition programs only serve ceremonial purposes. The lack of legal certification for raw materials and product standardization increases business vulnerability. At the institutional level, the lack of coordination between agencies creates overlaps and gaps in development, making it difficult for artisans to fully access benefits. Insufficient data on artisans' potential and needs leads to misguided interventions, creating dependency on incidental programs. As a result, the economic potential of this commodity is not optimally explored, hindering competitive business governance.

b) Expectations

Crocodile leather business actors and stakeholders in Mimika have expressed various strategic expectations for the development of this sector. Sri Wahyuni, as an artisan, expressed a concrete hope for assistance in production equipment and more comprehensive technical training, especially to improve leather tanning quality and product design. She also hopes that exhibitions can be held routinely every year as a consistent promotional platform. This expectation reflects the need for sustained technical intervention and continuity of government programs. Arifin, another artisan, emphasized his hope for more government attention in the form of skills training and assistance with production equipment. This reflects the gap in technical assistance that has not been addressed. He also hopes for the growth of his business, indicating the need for access to broader markets and a more supportive funding system.



From the government side, Rosmina Helpon from the Department of Industry and Trade acknowledged the importance of more detailed supervision, although she has not outlined concrete forms of future development expectations. Meanwhile, Yulianti Rante, also from Disperindag, observed the development of product variations over the years, implicitly indicating the expectation for continued innovation among artisans. Lemasko, as an NGO representative, expressed a more systemic vision, hoping to continue providing training and technical guidance to local communities, as well as assisting with capital and marketing aspects. This holistic approach indicates an awareness of the importance of multidimensional interventions for business development.

Guntur, a seller, hopes for the formation of a crocodile leather artisans' business group in Timika, reflecting the need for a collective platform to improve bargaining power and production capacity. This expectation shows the potential for developing a more organized and networked business model. In the media context, a journalist informant highlighted the importance of media coverage in raising the economic potential of crocodile leather crafts, indirectly conveying the hope for a more active role for the media in promoting products and sustainability issues. This indicates the need for a more planned communication strategy to increase product added value.

Collectively, these expectations outline an ideal development roadmap, including: (1) strengthening artisans' technical capacity; (2) consistency in government programs; (3) organizing business actors; (4) expanding market access; and (5) strengthening the business support system. These expectations all converge towards a shared vision: the establishment of a sustainable crocodile leather craft business in Mimika with high added value, capable of making a significant contribution to the local economy.

#### *4.1.3 Partnerships in Crocodile Leather Crafts in Mimika*

##### *a) Types of Partnerships*

MSME partnerships in crocodile leather crafts represent a form of collaboration or cooperation between micro, small, and medium enterprises (MSMEs) and various related parties, such as the government, large companies, financial institutions, or even other MSMEs, to develop the crocodile leather craft business. The goal of these partnerships is to enhance production capacity, marketing, product innovation, and business sustainability by leveraging the resources and expertise of each party involved. Based on interviews with informants involved in the development of MSME crocodile leather crafts in Mimika, the partnerships formed between the artisans and various parties can be identified through the information provided by the informants.

Firstly, a partnership with the local government, specifically the Mimika Regency Department of Industry and Trade (Disperindag), was explained by Rosmina Helpon, Head of the Natural Resources Development and Industry Quality Division, and Yulianti Rante, Head of the Industrial Product Development and Coaching Division. Both mentioned that the government has facilitated artisans by organizing industrial exhibitions, developing an Industrial Gallery, and simplifying business licensing processes. However, both informants also acknowledged that no production equipment or technical training had been provided to the artisans. Secondly, a partnership with the Non-Governmental Organization (NGO) Lemasko was discussed by the informant from Lemasko, explaining their role in providing training and technical guidance to local artisans, including mentoring and capital assistance. This partnership seems to be more focused on enhancing local artisans' capacity, though its scope remains limited.

Thirdly, in terms of financial partnerships, Arifin, an artisan, explained that they have utilized the People's Business Credit (KUR) from financial institutions as business capital. This partnership helps them overcome capital constraints, although it has not been accompanied by more comprehensive mentoring. As for raw materials, Arifin also explained that they have established informal partnerships with local communities supplying crocodile leather. This partnership is mutually beneficial, although artisans still face challenges in terms of financing and raw material supply smoothness. Furthermore, both Sri Wahyuni and Arifin stated that they use social media platforms like TikTok and Facebook to market their products. Meanwhile, informant Guntur, a seller, mentioned

his collaboration with artisans to supply products for sale in his store. He also described how the crocodile leather products he sells were once featured in a government-facilitated exhibition. Finally, the role of the media in supporting partnerships was explained by a journalist who has covered various crocodile leather artisan activities, including exhibitions and sustainability issues. Media coverage helps increase the visibility of crocodile leather crafts in Mimika.

In general, the partnerships formed involve various parties with different roles and contributions. While some partnerships have been established, such as with the government for exhibitions and licensing and with Lemasko for training, there is still significant room for development, especially in providing production equipment, technical mentoring, and expanding access to broader markets. Informants provided a clear picture of the existing partnership forms and expressed their expectations for improved partnerships in the future.

#### b) Factors Affecting the Success of Partnerships

The success of crocodile leather artisan partnerships in Mimika is influenced by several key factors that are interconnected. Each informant provides a unique perspective on the factors that influence these partnerships. Data and information from various informants complement each other to provide a comprehensive picture of the dynamics of existing partnerships. The first factor influencing success is the commitment and consistency of the parties involved, especially from the government as the facilitator. Disperindag's involvement in regularly organizing exhibitions demonstrates an effort to open market access, although it has not been supported by measurable impact evaluations. Without ongoing commitment, partnerships remain incidental and do not create significant changes for the artisans.

Second, the availability of resources, both financial and technical, determines the effectiveness of partnerships. Lemasko's program, which combines training, mentoring, and capital assistance, has had a relatively stronger impact because it addresses multiple aspects simultaneously. On the other hand, government programs focused solely on exhibitions, without technical or financial support, have limitations in creating business transformations. Partnerships with financial institutions through KUR are also not yet optimal due to the lack of post-funding mentoring. Third, coordination and synergy between stakeholders is an important factor that remains weak. Partnerships tend to be partial, with the government focusing on promotions, NGOs on training, and artisans struggling independently with production and digital marketing. The lack of a collaborative platform that brings all parties together results in fragmented programs and potential overlaps.

Fourth, openness and adaptation to technology also affect digital marketing partnerships. Artisans who actively use social media platforms like TikTok and Facebook have successfully reached a wider market, but there has been no strategic partnership with digital marketing players or e-commerce platforms to increase scalability. On the other hand, partnerships with local sellers remain traditional and have not been developed into more modern business models like consignment systems or joint branding partnerships. Fifth, regulatory support and policies also play a role, particularly regarding licensing and raw material legality. The ease of licensing provided by the government helps artisans access formal markets, but without certification for products or raw materials that meet national or international standards, these crafts struggle to compete at higher levels.

Sixth, trust and social capital factors are seen in the informal partnerships between artisans and local raw material suppliers. This model relies on personal relationships and trust, but it is vulnerable to supply instability. The success of such partnerships depends on the ability to develop them into more formal partnerships with clear contracts, without losing the local values that have been built. Lastly, the lack of evaluation and feedback mechanisms is a major weakness. Almost all existing partnerships lack mechanisms for evaluating impact, as acknowledged by government informants. Without monitoring and continuous improvement, partnerships risk stagnation and failure to evolve in line with artisans' and market needs. Overall, the existing partnerships have provided a foundation for the development of the crocodile leather craft business, but have not reached their full potential due to

limited synergy, sustainable funding, and a holistic approach. Future success depends on the ability to strengthen these factors in an integrated manner.

#### *4.1.4 Partnership Strategies to Increase Productivity of Crocodile Leather Crafts in Mimika*

To formulate this partnership strategy, several factors are considered, including: existing partnerships, challenges faced, and the expectations of crocodile leather artisans in Mimika. As stated in the research methodology, the analytical tool used to determine the strategy is PESTEL analysis. PESTEL analysis is a strategic framework used to evaluate external factors that influence an organization or business.

This approach examines six key dimensions: Politics (government policies, political stability), Economics (economic growth, inflation, purchasing power), Social (demographics, cultural values, societal trends), Technology (innovation, digital infrastructure), Environment (natural resources, sustainability issues), and Legal (regulations, industry standards). The goal is to identify opportunities and threats in the business environment to develop adaptive and sustainable strategies. In the context of MSMEs in crocodile leather crafts, PESTEL analysis helps design partnerships that are responsive to external dynamics while optimizing local potential. The PESTEL strategy matrix presents a holistic approach to building partnerships for the development of crocodile leather crafts in Mimika. This analysis also shows how each informant's insights have been incorporated into a comprehensive strategy framework, maintaining a focus on increasing artisan productivity as the main objective.

#### **4.2 Discussion**

Based on the data analysis and information provided by the informants, it is evident that MSME partnerships in crocodile leather crafts in Mimika have formed a multi-party collaboration pattern, although it is still in the developmental stage. Kurniawan (2018) explains that effective partnerships require synergy between the government, private sector, and society, which, in Mimika's context, is reflected in the roles of Disperindag (government), LEMASKO (NGO), and artisans as the key players. However, the implementation has not been optimal when compared to similar empirical studies in other regions, such as Suryana (2020) research in West Java, which found that successful partnerships require a holistic intervention including technical training, access to capital, and marketing mentoring.

The theory of institutional support explains the critical role of government in creating a conducive business environment. In Mimika, this is reflected by facilitating exhibitions and simplifying business licensing, as shared by informants Rosmina Helpon and Yulianti Rante, although these efforts have not been followed by technical support such as leather tanning training or production equipment. This finding aligns with studies by Salehuddin, Maswati, and Samar (2021) in Papua, which show that government programs often focus on promotional aspects but lack technical assistance. From the perspective of social capital, the informal partnership between artisans and local raw material suppliers, as explained by artisans Sri Wahyuni and Arifin, demonstrates a trust-based network. However, the absence of formal contracts and fluctuations in raw material supply indicate vulnerabilities in the supply chain (Hutabarat et al., 2024).

The digital marketing partnerships adopted by artisans through TikTok and Facebook reflect adaptation to the theory of disruptive innovation. However, the lack of collaboration with large e-commerce players or government programs for strengthening digital marketing shows a gap in fully leveraging digital market potential. The role of LEMASKO in training and mentoring aligns with the concept of community-based empowerment, but the limited scope of participants and the lack of impact evaluation (as acknowledged by informants) reveal weaknesses in the sustainability of the program. This contrasts with the success of the LSM-MSME partnership model in Sulawesi, which involves continuous monitoring (Eman, Rachman, & Pangemanan, 2023).

Overall, partnerships in Mimika have met several fundamental collaboration principles, especially regarding role division and resource sharing, but still face challenges in the areas of: (1) depth of intervention (technical training and access to technology), (2) program sustainability (impact

evaluation), and (3) network expansion (partnerships with large industries/exporters). The factors influencing the success of crocodile leather artisan partnerships in Mimika can be understood through the partnership theory approach and the concept of collaboration-based MSME development. Partnership theory emphasizes the importance of synergy between the government, private sector, non-governmental organizations, and business actors to achieve common goals. In this context, an effective partnership requires policy support, resource access, and sustainable evaluation mechanisms.

The government, through Disperindag, acts as an enabler by organizing exhibitions and simplifying licensing. However, the lack of program evaluation and assistance with equipment indicates a gap in policy implementation, as seen in empirical studies in other regions. For example, the research by Pramesti and Ubaidillah (2023) shows that programs without mentoring and evaluation tend to have less long-term impact. LEMASKO's role in training and mentoring aligns with the capability theory, which states that empowerment through skill enhancement and access to capital can strengthen artisans' capacity. However, the limited reach of this program reflects challenges in replicating the empowerment model.

The marketing strategy based on exhibitions and online media shows an adaptation to digital marketing theory, where a combination of conventional and digital approaches can expand the market (Rahayu, Novianti, & Istiqomah, 2024). However, dependence on sporadic exhibitions and the lack of diversification in marketing channels becomes a weakness. The main challenges such as limited capital and raw materials reinforce that access to financing and unstable supply chains are the primary obstacles for MSMEs based on natural resources. Meanwhile, artisans' expectations for training and equipment assistance underscore the importance of multidimensional intervention (training, technology, and funding) for MSMEs in remote areas..

Using PESTEL analysis, this study has identified various partnership strategy patterns that are expected to increase the productivity of crocodile leather artisans in Mimika. Overall, the PESTEL analysis framework is capable of identifying and addressing challenges across all aspects of the business environment while utilizing existing opportunities, which can be summarized as follows:

1. From the political aspect, the strategy focuses on creating a conducive policy environment through the establishment of partnership forums and strengthening regulations. This approach aims to address issues of coordination and program consistency, which have been major obstacles. A triple-helix forum is expected to serve as a sustainable synergy platform between stakeholders. This strategy addresses the expectations of Disperindag (seeking better coordination) and artisans (seeking sustained support).
2. In the economic dimension, the strategy is designed to address two main issues: access to capital and market expansion. An innovative financing scheme with a collective and revenue-sharing model is a creative solution to overcome capital limitations while strengthening the bargaining position of artisans. Expanding into premium markets opens opportunities to increase product value.
3. Cultural and social factors are integrated through structured training programs and mentoring systems. This approach not only enhances technical capacity but also preserves traditional knowledge. A leather tanning school becomes a bridge between local wisdom and modern techniques.
4. Technological strategies focus on two levels of intervention. The first level strengthens digital capacity through an MSME hub to enhance marketing. The second level involves the adoption of process technology through the provision of modern tanning equipment. This combination addresses challenges in both upstream and downstream parts of the value chain.
5. The environmental aspect receives special attention through the development of a sustainable supply chain. This approach addresses challenges related to raw material legality and product differentiation in the market.
6. The legal dimension is anticipated through product quality standardization and partnership legal services. Standardization not only enhances product competitiveness but also facilitates penetration into broader markets. Legal clinics become a safety net for fair partnership relations.

The implementation of this strategy requires strong commitment from all stakeholders and effective coordination mechanisms. The key to success lies in the ability to create strategic alliances between actors with clear and mutually beneficial role distribution. Regular monitoring and evaluation are necessary to ensure target achievements and make adjustments to the strategy when needed.

## 5. Conclusions

The success of crocodile leather artisan partnerships in Mimika Regency is influenced by a number of interconnected factors that require an integrated approach, including the commitment and consistency of all stakeholders, especially the government as the facilitator, the availability of financial and technical resources for artisans, coordination and synergy between stakeholders, technology adaptation, digital marketing, and social capital and trust among business actors. The partnership strategy to increase the productivity of crocodile leather artisans in Mimika Regency is designed holistically through a PESTEL approach. This analysis identifies key challenges such as limited capital, lack of technical capacity, non-integrated marketing, and partial institutional support. The proposed strategy includes the establishment of a triple-helix partnership forum (government, academia, and artisans) to strengthen coordination and regulation, an innovative financing scheme for capital access, and the development of premium markets.

In the social aspect, structured technical training and a mentoring system are designed to enhance artisans' capacities while preserving traditional knowledge. The adoption of technology, both through digital marketing platforms and modern tanning tools, offers solutions to challenges in both the upstream and downstream parts of the production chain. Additionally, the development of a sustainable supply chain and product quality standardization are focal points for addressing environmental and legal issues. The implementation of this strategy requires strong commitment from all stakeholders, including the government, NGOs, business actors, and academia. Effective coordination, regular monitoring, and impact evaluation are key to creating mutually beneficial partnerships. With this multidimensional approach, it is expected that the productivity and competitiveness of crocodile leather artisans in Mimika will significantly increase, while also driving sustainable local economic growth.

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