Effect of Entrepreneurship Competency, Market Orientation, And Entrepreneurial Orientation on Business Performance In Herbal Msmes Medan City

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ABSTRACT
This study aims to determine and analyze the effect of entrepreneurial competence, market orientation and entrepreneurial orientation on the business performance of MSME factories in the city of Medan. This research is a peer-reviewed research and the type of data used is quantitative and raw data obtained through interviews and questionnaires to the MSMEs of herbal medicine in Medan City with the assistance of the Medan City Cooperatives and MSMEs Service. Led by the Ministry of Cooperatives and MSMEs in Medan City, the authors of this study conducted a survey of 41 MSMEs of Chinese herbal medicine in Medan City. The author's sample size is 41 SME factories in Medan City, with the help of Medan City Cooperatives and SMEs for saturated sampling. The data analysis technique used is multiple linear regression analysis. The results of this study indicate that simultaneously entrepreneurial ability, market orientation and entrepreneurial orientation have a positive and significant impact on the business performance of MSMEs in the Medan factory. The results of the study partially show that entrepreneurial ability, market orientation and entrepreneurial orientation have a positive and significant impact on the business performance of the Medan MSME factory.

Keywords: Entrepreneurial Competence, Market Orientation, Entrepreneurial Orientation, Business Performance.

INTRODUCTION
In the era of globalization which is growing rapidly, the economic field is increasingly advanced and the competition is getting tougher. Business actors who are active in innovation and creativity as well as with a dynamic and uncertain business environment, for example: competition, customers and suppliers are entrepreneurs engaged in the Micro, Small and Medium Enterprises (MSME) sector. In Indonesia, the existence of Micro, Small and Medium Enterprises (MSMEs) has received great attention from the government because it makes a significant contribution to efforts to improve people's living standards, as
in general the existence of micro, small and medium enterprises. Business Entities (MSMEs) of developing countries can be considered as the backbone of the national economy.

The number of MSMEs in North Sumatra is growing well, with around 2.8 million business units, which can make a good contribution to North Sumatra's economic growth. Several micro, small and medium enterprises (MSMEs) in North Sumatra produce aromatic products that are considered useful for health maintenance, disease prevention and as beauty ingredients, and can be developed to market aromatic products with local wisdom, resulting in unique benefits. quality, quality and competitive products.

The development of MSMEs at the regional level, especially Medan City, can be seen that in general the economic growth of Medan City cannot be separated from the contribution of MSMEs. This can be seen from the large number of MSMEs, with a total of approximately 242,890 units. The business of herbal products produced by herbal MSMEs in Medan City is very high, MSME herbal in Medan City joined the Department of Cooperatives and MSMEs in Medan City to help herbal MSMEs in developing products, obtaining capital, and increasing business performance. and some herbal MSMEs joined other agencies such as the Food Security Service, Customs and Excise Office, and the Trade Office. The Office of Cooperatives and Micro, Small and Medium Enterprises is a government institution in charge of carrying out local government affairs in the field of cooperatives and Micro, Small and Medium Enterprises with the aim of the role of the Cooperatives and MSMEs Office by setting standards that must be met, namely; the product is free from preservatives, the product is prohibited from containing illegal goods, the product must be clean in the production process, the product includes an expiration date.

According to Hamel & Wijaya (2020) Business performance is directed at the level of achievement of the company in a certain period of good business performance marked by good sales growth, profits that always increase, and capital that always increases. In this study, some herbal SMEs in Medan City did not know the extent of their success in carrying out herbal businesses, this could result in herbal SMEs not being able to compete with other herbal SMEs, unable to run their business properly and could reduce income performance.

According to Kurniawan & Yun (2018), entrepreneurial competence as an individual characteristic, an entrepreneur is a person who takes risks to obtain benefits from the business he is doing. Entrepreneurial competence as the ability to do business, except for some herbal MSMEs in Medan City, not all understand or master how to improve product quality and standardization, strengthen and increase access to technology for business development for herbal MSMEs in Medan City due to insufficient capital.

According to Prasetyo & Wijaya (2019) Market Orientation is one of the main goals of MSME business owners to develop their knowledge in implementing various marketing strategies in order to develop the business they are running. In this study, some herbal MSMEs have developed products that are sold to be able to meet consumer needs by selling beauty products made from natural ingredients in accordance with quality ingredients and selling products at standard prices. The perpetrators of herbal MSMEs can introduce products sold through social media and place advertisements to promote products so that consumers can be interested in the products that have been sold, and hold seminars on herbal products and conduct workshops assisted by the Medan City Cooperatives and MSMEs Office.
According to Prasetyo & Wijaya (2019) *Entrepreneurial Orientation* is the level of courage of an entrepreneur to be the first to innovate market products, take proactive actions, be independent in running a business and dare to take risks. In this study, some of Medan City's herbal MSME actors have done creativity and innovation in introducing products sold by developing technology through social media, have proactive behavior in controlling problems that occur in business and dare to take risks in running a business.

**LITERATURE REVIEW**

**Entrepreneur**

According to Wardani *et al* (2021) Entrepreneur is also defined as a person who establishes, manages, develops and institutionalizes his own company or the ability possessed by a person to see and assess business opportunities, gather the resources needed to take appropriate action, and take advantage in order to achieve success. According to Mintardjo *et al* (2021) there are several main stages in entrepreneurship activities, including the starting stage, implementing stage, maintaining business stage, and business developing stage. According to Tamba, Sagala, & Ritonga (2021) Describes eight steps to reach the peak of a career. These eight steps can also be used by entrepreneurs in developing their profession, namely willing to work hard, cooperate with others, good appearance, confident, good at making decisions, willing to increase knowledge, ambition to advance, and good at communicating.

**Entrepreneurship Competency**

According to Ludiya (2020), entrepreneurial competence is defined as a set of knowledge, attitudes, and related skills that an entrepreneur must acquire through training and management development that enables him to manage a business or company. Delivering outstanding performance and maximizing profits. According to Kurniawan & Yun (2018), competence consists of five characteristics, namely personality, motivation, self-concept, knowledge and skills.

According to Sugandi & Suhaeni (2019), there are six things that can be used as a tool to measure entrepreneurial competence, including:

1. Opportunity capability, which plays an important role in the ability of business actors to identify business opportunities to obtain opportunities. This can open up business opportunities for the nearest factory SMEs.
2. Relationship competencies, including how to build cooperation and trust with business partners, communicate well about business interests and the ability to invite. This can create good relations for the nearest factory SMEs.
3. Conceptual competence, which includes the ability to generate cognitive and analytical thinking, learning, decision making and problem solving, and innovation.
4. Organizational competence, which includes the ability to lead the company, control the company, monitor activities, organize resources and develop external and internal resources.
5. Strategic competence, which encourages business people to have a vision or a thorough understanding of how to organize, evaluate and implement company strategies to achieve their business goals.

6. Commitment ability, a strong ability to commit, define and convey and take positive action regarding one's responsibilities and obligations.

**Market Orientation**

As defined by Sulaeman (2018), market-oriented companies are always more efficient and always strive to create more value for customers, which is expected to provide long-term benefits for the company. According to Menambing, Mandey, & Tielung (2018) market positioning as a marketing concept consists of three things, namely: focusing on the wants and desires of consumers, enabling the organization to differentiate its products from those offered by competitors, identifying all organizational activities, including production to meet needs. Consumers and to achieve the organization's long-term goals by meeting consumer needs and wants legally and responsibly for all consumer policies.

According to Hujayanti (2020), if a company as a whole can respond to the needs of customers and competitors in the market, then it must serve the market properly. The three behavioral components have the same level of urgency or importance.

1. Customer orientation is a deep understanding of buyers whose goal is to consistently create superior value for them and create a positive image for the company.

2. Competitive Orientation In principle, customer orientation and competitive orientation are two interrelated, inseparable and inseparable dimensions in the concept of market orientation. Competitive orientation means understanding the suppliers' strengths, weaknesses, capabilities and short-term strategies of current and potential major competitors.

3. Coordination between these functions is critical to the survival of companies seeking to gain a competitive advantage by carefully optimizing their internal operations while striving to provide customer satisfaction.

**Entrepreneurial Orientation**

According to Elvina (2020) Entrepreneurial Orientation is an entrepreneur who has an entrepreneurial orientation when building a strategy to develop his company that will prioritize customer satisfaction, and will also always monitor whether the product meets or exceeds customer expectations. According to Azhara (2020) There are several internal factors that influence entrepreneurial orientation, namely: business scale, industry structure, resources, organizational culture, planning, and leadership for industry.

According to Kholifah (2020) formulating several behaviors that describe entrepreneurial orientation, including:

1. Innovativeness is defined as the behavior of a company that always wants to develop its products, as well as operational capabilities and the latest technology owned by the company.
2. Dare to take risks is defined as a brave and aggressive attitude in pursuing opportunities and daring to choose high-risk projects with a high chance of success compared to choosing projects with lower risks and more predictable results.

3. Proactivity is defined as a company's attitude that always takes advantage of opportunities to create a more competitive market by influencing trends, creating market demand and being the first mover in a more competitive market.

### Business Performance

According to Asyifa (2019), business performance is an ability that an entrepreneur always has and strives to improve, which is in line with the idea that an entrepreneur who wants to successfully manage and improve his business performance must have effective communication skills. According to Fadila (2021), business performance is the result of work functions or individual or group activities in an organization that are influenced by various factors to achieve organizational goals within a certain period of time.

According to Fadila (2021), the dimensions of business performance consist of 5 dimensions, namely:

1. Sales growth reflects past investment success and can be used as a forecast for future growth. Sales growth is an important dimension of a company's core revenue for products and services, where the revenue generated from sales can be used to measure sales levels.

2. Capital growth refers to an increase in the value of invested capital. This increase in value is caused by an increase in the market price, sometimes referred to as the current price of the asset.

3. Improving the quality of the workforce refers to the number of people who are or are currently working, looking for work, and doing other activities such as going to school and taking care of the family.

4. Market growth has always been an important research because the results of market research will help companies determine what strategies they should implement when marketing the products they want to sell.

5. Profit growth is important for market acceptance of a company's products and services, and sustainable business profit growth is considered important for companies that sell shares to the public to attract investors.
METHODS

This type of research uses a quantitative approach based on the level of explanation of a variable to test and analyze data by calculating, then drawing conclusions from the test. The type of research used in this research is companion research. Association research is a research question that shows a relationship between two or more variables (Sugiyono, 2018). The research was conducted at the Medan City SME Cooperative Service, Jalan Gatot Subroto 77, Lalong, Medan Sunggal District, Medan City, North Sumatra. The research takes place from October 2021 to completion in 2022. The independent variable is the variable that affects the dependent variable or causes it to change or emerge (Sugiyono, 2018). In this study, the independent variables are entrepreneurial ability (X1), market orientation (X2) and entrepreneurship X3), and the dependent variable is influenced by the independent variable and the independent variable results (Sugiyono, 2018). This research,

Reporting Research Results

1. Descriptive Statistical Analysis
a. Characteristics of Respondents Based on Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Person</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>36</td>
<td>88</td>
</tr>
<tr>
<td>Men</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Appendix 6.

Based on Table 1, it can be explained that all of the Medan City herbal MSME actors assisted by the Medan City Cooperative and MSME Service are 36 women with a percentage of 88 percent, and 5 men with a percentage of 12 percent. This shows that the majority of Medan City herbal MSME actors assisted by the Medan City Cooperative and MSME Service in this study are female.

b. Characteristics of Respondents Based on Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Person</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 – 30 years</td>
<td>6</td>
<td>15</td>
</tr>
</tbody>
</table>
Based on Table 2, it can be explained that the Medan City Herbal MSMEs assisted by the Medan City Cooperative and MSME Service in this study were 6 people aged 21-30 years with a percentage of 15 percent, those aged 31-40 years were 15 people with a percentage of 37 percent, 14 people aged 41-50 years with a percentage of 34 percent, and 6 people over 50 years old with a percentage of 14 percent, this means that the majority of Medan City herbal MSMEs assisted by the Medan City Cooperative and MSME Service are 31-40 years old, where this is a productive age which includes having a high entrepreneurial spirit, high creativity, and high energy to advance the business.

C. Characteristics of Respondents Based on Length of Business

Table 3

<table>
<thead>
<tr>
<th>Length Of Business</th>
<th>Person</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 years</td>
<td>31</td>
<td>76</td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>10</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Appendix 6.

Based on Table 3, it can be explained that the perpetrators of the Medan City herbal MSMEs assisted by the Medan City Cooperative and MSME Service in this study whose business had been established for 1-5 years were 31 people with a percentage of 76 percent, and 10 people had been established for 6-10 years with The percentage of 24 percent means that the majority of Medan City herbal MSME actors assisted by the Medan City Cooperative and MSME Service are still operating for 1-5 years.

D. Characteristics of Respondents Based on Income

Table 4

<table>
<thead>
<tr>
<th>Income (Rp)</th>
<th>Person</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500,000</td>
<td>–</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Appendix 6.
Based on Table 4, it can be explained that the Medan City herbal MSME actors assisted by the Medan City Cooperative and MSME Service in this study had an income of Rp. 1,500,000 – Rp. 3,000,000 as many as 19 people with a percentage of 46 percent, have an income of Rp. 4,000,000 – Rp. 8,000,000 as many as 14 people with a percentage of 34 percent, and have an income of Rp. 5,000,000 – Rp. 10,000,000 as many as 8 people with a percentage of 20 percent. This shows that the Medan City Herbal MSMEs assisted by the Medan City Cooperatives and MSMEs Service earn more than Rp. 1,500,000 – Rp. 3,000,000.

1. Multiple Linear Regression Analysis

Table 5
Multiple Linear Regression Analysis Results

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-9.164</td>
<td>3.478</td>
<td>-2.635</td>
<td>.01</td>
</tr>
<tr>
<td>Entrepreneurship Competency</td>
<td>.390</td>
<td>.096</td>
<td>.368</td>
<td>4.054</td>
</tr>
<tr>
<td>Market Orientation</td>
<td>.943</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>.307</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Kinerja Usaha

Source: Appendix 8.

Based on Table 5, the results of the multiple linear regression equation are obtained as follows:
Based on this equation, it can be interpreted as follows:

1. The constant value ($\beta_0 = -9.164$) indicates that the variables of Entrepreneurial Competence, Market Orientation, and Entrepreneurial Orientation are considered constant at the level of the Business Performance variable. If the value of the independent variable is 0 or constant, then Business Performance ($Y$) already has a value of -9.164 units.
2. The regression coefficient value of Entrepreneurial Competence ($\beta_1 = 0.390$) is positive, which means that the Entrepreneurial Competence variable has a positive effect on Business Performance, meaning that every increase in Entrepreneurial Competence by one unit, it will increase Business Performance by 0.390 units.
3. The regression coefficient value from Market Orientation ($\beta_2 = 0.943$) is positive, which means that Market Orientation has a positive effect on Business Performance, meaning that every increase in Market Orientation by one unit will increase Business Performance by 0.943 units.
4. The regression coefficient value of Entrepreneurial Orientation ($\beta_3 = 0.307$) is positive, which means that Entrepreneurial Orientation has a positive effect on Business Performance, meaning that every increase in Entrepreneurial Orientation by one unit, it will increase Business Performance by 0.307 units.

Coefficient of Determination ($R^2$)

Table 6

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 0.931²</td>
<td>.868</td>
<td>.857</td>
<td>1.473</td>
<td></td>
</tr>
<tr>
<td>a. Predictors: (Constant), Entrepreneurial Orientation, Market Orientation, Entrepreneurship Competency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Dependent Variable: Kinerja Usaha</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on Table 6, it is known that the coefficient of determination ($Adjusted R Square$) is 0.857 or 85.7 percent. This shows that 86.8 percent of the variation in Business Performance can be explained by independent variables, namely Entrepreneurial Competence ($X_1$), Market Orientation ($X_2$), and Entrepreneurial Orientation ($X_3$), while the remaining 14.3 percent is explained by factors other than this research model.
F test (simultaneous test)

In Table 7 it is known that the number of samples (n) is 41 respondents and the number of parameters (k) is 4, so that df1 = 4 - 1 = 3; df2 = n - k = 41 - 4 = 37, then at = 0.05, Ftable = 2.858 is obtained.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>525.643</td>
<td>3</td>
<td>175.214</td>
<td>80.775</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>80.259</td>
<td>37</td>
<td>2.169</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>605.902</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Kinerja Usaha

b. Predictors: (Constant), Entrepreneurial Orientation, Market Orientation, Entrepreneurship Competency

Source: Appendix 13.

Based on Table 7, the value of Fcount (80.775) > Ftable (2.858) and significance (0.000) < (0.05). This means that the variables of Entrepreneurial Competence, Market Orientation, and Entrepreneurial Orientation simultaneously have a significant effect on business performance in the Medan City herbal MSMEs assisted by the Medan City Cooperative and MSMEs Service.

T test (Partial Test)

<table>
<thead>
<tr>
<th>Coefficients^a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>
Entrepreneurship Competency  |  390 |  .096 |  .368 |  4.054 |  .000 \\
Market Orientation   |  943 |  .138 |  .583 |  6.854 |  .000 \\
Entrepreneurial Orientation |  307 |  .104 |  .195 |  2.935 |  .006 \\
a. Dependent Variable: Kinerja Usaha

Source: Appendix 13.

In Table 8, the number of samples known (n) is 41, parameter = 0.05, table = 2.026. Based on Table 4.16, the hypothesis can be tested in the t-test, as follows:

1. The value of the regression coefficient (β₁) = 0.390 for Entrepreneurship Competence (β₁) is positive, count (4.054) > table (2.026), significant (0.000) < (0.05). This shows that the entrepreneurial competence variable has a positive and significant effect on business performance, meaning that every increase in entrepreneurial competence increases business performance by 0.390 units and vice versa.

2. Regression coefficient value Market Orientation (β₂) = 0.943 is positive, count (6.854) > table (2.026), significant (0.000) < (0.05). This shows that market orientation has a positive and significant effect on business performance, meaning that market orientation increases business performance by 0.943 units and vice versa.

3. Regression coefficient value Entrepreneurial Orientation (β₃) = 0.307, positive sign, count (2.935) > table (2.026), significant (0.006) < (0.05). This shows that entrepreneurial orientation has a positive and significant effect on company performance. It is oriented to the entrepreneurship unit and vice versa.

RESULTS

Entrepreneurial ability (X₁) for company performance

The value of the regression coefficient is positive, count (4.054) > table (2.026) and the significance (0.000) < (0.05). This shows that the Entrepreneurial Competence variable has a positive and significant effect on business performance, meaning that for every increase in entrepreneurial capability, business performance increases by 0.390 units and vice versa.

The results of this study are in accordance with the distribution of respondents' responses to the variable of entrepreneurial competence, including the category of agree with an average of 4.1. Therefore, this entrepreneurial competence will contribute to the creation of business performance at the business location.

Based on the distribution of respondents' responses to the variable of entrepreneurial ability, 17 respondents with a percentage of 41.5% who contributed to the decline in the entrepreneurial ability of MSME participants answered that they did not have an agricultural statement "I conduct business assessments to improve product quality." Thirty-eight respondents answered 92.7% for the statement "I can communicate with partner offices so that I can interact, which is built to market the product."
The results of this study are in line with Zaini & Handoyo (2021), which also show that there is a positive and significant influence between the variables of entrepreneurial ability on the cooking performance of MSMEs in West Jakarta. This means that entrepreneurship as a set of interrelated knowledge, attitudes and skills must be possessed by the participants of the Medan City Herbal Medicine MSME through training and management development that will enable them to produce outstanding business performance. Therefore, entrepreneurial competence has a positive effect on company performance.

b. Effect of market orientation (X2) on business performance

regression coefficient value Market Orientation (β = 0.943, positive sign, count (6.854) > table (2.026), significant (0.000) < (0.05), this indicates that market orientation has a positive and significant effect on business performance, which means market orientation increases business performance by 0.943 units and on the other hand

this study is in accordance with respondents' perceptions of the market orientation variable, with an average value of 3.2 including the approval category, indicating that the market of MSME Herbal Medicine Medan City players has a market orientation, so the market will help create business performance in their business location.

According to market orientation, 34.1% of respondents accounted for 14, leading to a response that they disagreed with the statement “I can analyze problems before they arise in my factory business.” And 34 respondents answered market-oriented with 83 %, agreed “I can use my knowledge of entrepreneurship to develop a plant business from common another commercial. Competitor”.

The findings of this study are in line with Sondra & Widjadja (2021), which shows that the market in has an orientation to continue to innovate the products produced by Medan Herbal SMEs so that they can continue to compete to meet customers. the need, to compete against the behavior of opponents, distribution of market information and responses throughout the organization and market orientation Business focused on customer satisfaction improves the business performance of Jamu Medan SMEs Therefore, market orientation has a positive impact on business performance.

C. The Effect of Entrepreneurship Orientation (X3) on Business Performance

regression coefficient value Entrepreneurial Orientation (β = 0.307, positive sign, count (2.935) > table (2.026), significant (0.006) < (0.05), this indicates that entrepreneurial orientation has a positive impact on business performance, which means that it is oriented towards an increase of 0.307 units in

this study according to the distribution of respondents' answers for entrepreneurial-oriented variables, with an average of 4.15 including the category. Therefore, entrepreneurial orientation business places

entrepreneurial orientation 19 respondents, 46.3%, which leads to disagreement with the statement "I can create new ideas from different products from my competitors" and 39 respondents answered yes with 82.9%, leads to an increase in entrepreneurial orientation by experiencing the statement "I like new challenges to be able to expand my business network in the rain of other products".

Research results show a strong will to identify and take advantage of untapped opportunities, the courage to take risks, be creative and proactive in business management to reflect the level of business development in order to increase the growth and profitability of MSME business factories in Medan City. Therefore, entrepreneurial orientation has a positive impact on company performance.

**DISCUSSION**

1. Entrepreneurial competence, market orientation, and entrepreneurship have a significant effect on both the business performance of the Medan City Cooperative SMEs and Medan City Herbal Medicine SMEs assisted by UMKM services.

2. With the assistance of the Medan City Cooperatives and MSMEs, this effort has a positive and significant impact on the business performance of the Medan Herbal MSME participants.

3. Market orientation has a positive and significant effect on the business performance of Medan factory SMEs.

4. Entrepreneurial orientation has a positive and significant impact on the business performance of the Medan factory MSME participants.

**CONCLUSION**

1. For the perpetrators of herbal SMEs in Medan City
   a. Due to the Medan City herbal MSME actors, which are assisted by the Medan City Cooperative and MSME Service, have not been able to take advantage of opportunities in the market, resulting in losing competitiveness with other herbal owners, it is hoped that Medan City herbal MSME actors can innovate or renew ideas from successful entrepreneurs related to herbs, so that the business owned can be competitive in the midst of current business developments.
   b. Due to the lack of ability of the Medan City herbal MSME actors assisted by the Medan City Cooperative and MSME Service to overcome the problems experienced related to the lack of consumer interest, it is expected that Medan City herbal MSME actors to add products that are marketed according to current people's tastes such as snacks or coffee menus, so that this can provide an option for the community if there is a lack of interest in buying herbal medicines.
   c. Because the Medan City herbal MSME actors assisted by the Medan City Cooperative and MSME Service have not been able to create new ideas that are different from other competitors, it is hoped that Medan City herbal MSME actors use social media to look for new ideas that are currently trending, so that businesses built can adapt to market demand.

2. For Further
   Researchers This research can be used as a reference that can be used as comparison material in conducting research in the future. It is hoped that further researchers can examine outside of this research variable so that the results obtained are more varied. However, if the next researcher wants to examine the same variable, it is hoped that the next researcher can add the independent variable or can replace it with another so that it can complete the research.
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REFERENCES


