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# Strategic Agility Analysis in Business Sustainability at Ohhnadskitch.id: A Dynamic Capability Theory Perspective

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**Abstract.** This study aims to analyze the implementation of agility strategic in the sustainability of the culinary business Ohhnadskitch.id in Semarang from the perspective of dynamic capability theory. MSMEs in the culinary industry face challenges such as intense competition, dynamic market changes, shifting consumer preferences, and technological disruptions that require rapid and innovative adaptation. This study employs a qualitative approach with data collection methods including observation, interviews, and document analysis. The results indicate that Ohhnadskitch.id is able to identify market opportunities and threats (sensing), leverage opportunities through product innovation and strategic collaboration (seizing), and implement internal changes through employee training and digital technology adoption (reconfigure). The implementation of agility strategic supported by dynamic capability theory has proven to enhance competitiveness and business sustainability. These findings provide practical contributions for culinary MSMEs actors and enrich the literature on agility strategic and dynamic capability theory in the context of business sustainability.

Keywords: Agility Strategic; Dynamic Capability Theory; Business Sustainability; MSMEs

### INTRODUCTION

The global economy is expected to continue to transform and grow, influenced by various factors such as technological advances, climate change, political dynamics, and changes in consumption and production patterns. By 2025, developing countries, especially in Asia and Africa, are expected to experience significant economic growth (Achmadiputra, 2025). This economic growth is marked by the increasing development of creativity and innovation through the use of information technology, which ultimately disrupts various aspects of global life. This disruption can be seen in the rapid changes caused by the use of Artificial Intelligence (AI), the Internet of Things, Human-Machine Interface, and the widespread phenomenon of the sharing economy (Sugiarto, 2021). These phenomena require us to keep pace with the rapid changes in the current market dynamics. The Head of the Central Statistics Agency (BPS), Amalia Adininggar Widyasanti, explained, "Indonesia's economy grew by 4.87 percent in the first quarter of 2025, supported by the agricultural sector, which grew at a double-digit rate, the food and beverage industry, which remained solid, and the transportation sector. Additionally, Ramadan and Eid al-Fitr also served as drivers of economic growth" (BPS, 2025). Indonesia's economic growth is also significantly supported by the role of Micro, Small, and Medium Enterprises (MSMEs). The role of MSMEs as the backbone of the Indonesian economy is evident from their contribution of more than 60% to the national Gross Domestic Product (GDP) and their absorption of nearly 97% of the workforce. To date, the number of MSMEs has reached more than 64 million business units (Limanseto, 2025). Micro, small, and medium enterprises (MSMEs) are the main pillars of the global economy, accounting for up to 90% of all businesses and employing about half of the global workforce. Information from

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research conducted by Stellar Women and a Boston Consulting Group survey shows that the food and beverage (F&B) sector is the most common type of business run by female entrepreneurs. This is assumed because female entrepreneurs seem to be drawn to industries they feel comfortable managing end-to-end (Januardin Sp, 2021). Given that the food and beverage (F&B) sector is the most prevalent type of business, the ability of business operators to adapt quickly to market changes becomes critically important. This phenomenon is particularly evident in micro, small, and medium enterprises (MSMEs) in the culinary sector, including Ohhnadskitch.id, a growing cake business in Semarang. The existence of a potential market in the culinary sector does not always guarantee the success of every business.

The rapid growth has intensified competition among culinary businesses. Despite having been in operation for approximately five years, Ohhnadskitch.id faces intense competition, dynamic shifts in consumer preferences, and technological disruptions that demand businesses to possess high adaptability to survive and thrive. This situation also requires businesses to implement strategic agility. Strategic agility is defined as the extent to which a company can demonstrate the capacity to adapt, be flexible, creative, and anticipate unforeseen disruptions within and outside the business environment in which they operate, and respond proactively, quickly, and effectively, such that threats are transformed into opportunities (Jasmine, 2024).

Strategic agility is important for businesses because opportunities and challenges arise constantly, both externally and internally. Strategic agility refers to the ability of SMEs to adapt and respond quickly and efficiently to changes in the business environment, including in strategy, operations, and resource management, in order to maintain competitiveness and relevance in a fluctuating market (Arvel Liwang Savero & Aria Ganna Henryanto, 2024). In enhancing competitiveness, SMEs leverage strategic agility to differentiate themselves from competitors, attract customers, and retain market share. Companies that implement strategic agility will utilize existing opportunities more effectively, enabling them to sustain their business operations. Strategic agility influences competitive advantage, which in turn impacts business sustainability. Sustainability is a company's ability to maintain its production level, which is shaped by nature, over a longer period of time (Nasution, 2024).

According to research (Rahmayanti & Pratiwi, 2023), it is necessary to conduct a more in-depth study on strategic agility, with more studies focusing on the specific context of SMEs. Meanwhile, in the study (Arvel Liwang Savero & Aria Ganna Henryanto, 2024), it was stated that the research used a quantitative approach, indicating the need for a more holistic methodology. Based on these studies, a review of strategic agility using the dynamic capability theory perspective in SMEs with a more holistic approach, namely using a qualitative approach, needs to be conducted. Dynamic capability theory is a way for a company to outperform its competitors. Dynamic capabilities are a company's ability to integrate, build, and reconfigure internal and external competencies in the face of rapid environmental changes (Situmorang, 2018). Dynamic capability theory is an organization's ability to sense opportunities and threats, seize those opportunities, and reconfigure resources to create and maintain competitive advantage (Tecece, 2018 in (Wahyudi, 2025)).

However, there is still a lack of research discussing strategic agility in the context of business sustainability by adopting the dynamic capability theory perspective. Therefore, this study will identify which dynamic capability theories enable Ohhnadskitch.id to effectively implement strategic agility and how these theories contribute to the sustainability of its business. Thus, this study can provide valuable insights for other culinary businesses, especially SMEs,

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regarding the importance of strategic agility and the development of dynamic capabilities in facing market dynamics. Additionally, this study is also expected to contribute academically to enriching the literature on strategic agility, dynamic capability theory, and business sustainability in the culinary context.

### **METHOD**

The research method used is a qualitative approach. Qualitative research seeks to describe narratively the activities carried out and the effects of those actions on their lives (Malahati et al., 2023). Qualitative data collection techniques include observation, interviews, and documentation. The researcher used observation techniques to obtain a direct and in-depth picture of the various activities and events that occurred at the Ohhnadskitch.id SME. The researcher then used semi-structured interviews conducted face-to-face to collect data on how to identify the dynamic capability theories that enable Ohhnadskitch.id to effectively implement agility strategy and how these theories contribute to the sustainability of its business. Semi-structured interviews were chosen because they allow researchers to explore in-depth information related to perceptions, experiences, and strategies applied in relation to dynamic capability theory and agility strategy. The interviews were conducted with the owner of Ohhnadskitch.id, who has a deeper understanding of the business. In the documentation section, researchers analyzed various relevant documents. The documents analyzed included written documents such as the history of Ohhnadskitch.id, the profile of Ohhnadskitch.id, and documents that provide further understanding of the operational, strategic, and developmental aspects of the business. This analysis aims to complement the data obtained through observation and interviews, thereby producing a more comprehensive understanding of the strategic agility analysis in the sustainability of the Ohhnadskitch.id SME using the dynamic capability theory perspective. After that, all data was collected and then analyzed to obtain results and discussions and draw conclusions related to the issues being researched.

### RESULTS AND DISCUSSION

This study aims to analyze how strategic agility contributes to business sustainability using the dynamic capability theory perspective at Ohhnadskitch.id, a small and medium-sized enterprise (SME) engaged in the culinary field, specifically cakes. Based on interviews with the business owner, several important findings were identified regarding strategic agility, business sustainability, and the application of dynamic capability theory at Ohhnadskitch.id. The interview findings can be summarized as follows:

### **Application of Strategic Agility**

The application of strategic agility at the SME Ohhnadskitch.id involves several key aspects, including:

- 1. Business Identification and Market Demand Responsiveness: Ohhnadskitch.id, an SME based in Semarang, began its business in the pastry sector in December 2020 during the COVID-19 pandemic. Uniquely, Ohhnadskitch.id successfully turned the COVID-19 pandemic into an opportunity by quickly responding to the increased demand for pastries. Its exceptional adaptability and responsiveness to market
- 2. changes have driven the development and sustainability of Ohhnadskitch.id. By offering high-quality, affordable, and unique pastries, Ohhnadskitch.id has successfully leveraged trends, technology, changes in consumer behavior, and digital

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services to expand its market. Product development, creativity, and innovation are key to adapting to the ever-changing preferences of customers.

- 3. Creativity and Technological Innovation: Regular product innovation, creating unique cake trends, and leveraging technology are crucial for Ohhnadskitch.id. Technology supports production management, customer interaction, inventory monitoring, and distribution. The use of digital platforms such as social media and online ordering apps demonstrates that Ohhnadskitch.id is quickly adapting to increasingly digitally integrated consumer behavior, which is an important indicator of agility.
- 4. Business Operational Efficiency: Efficiency is achieved through good raw material management (regular suppliers, online ordering) and smart inventory management (e.g., fresh flowers only when ordered). Operational efficiency at Ohhnadskitch.id supports agility by reducing lead time and minimizing waste.
- 5. Human Resource Management: Human resource management at Ohhnadskitch.id is focused on creating an agile team. A rigorous selection process ensures that employees possess the necessary skills and adaptability. Training programs covering SOPs, production, and customer service aim to enhance employees' capabilities and flexibility, enabling them to quickly learn new skills and adapt to changes in their roles. Competent and trained human resources are a vital asset in achieving agility.
- 6. Production Process Optimization: The combination of just-in-time (JIT) for orders and daily stock production is a tangible manifestation of operational flexibility (operational agility). JIT enables Ohhnadskitch.id to respond instantly to specific customer requests, while stock production ensures product availability for customers without orders. This approach minimizes the risk of overstocking or understocking, while maximizing customer satisfaction through fast delivery capabilities—all key attributes of a flexible production system.
- 7. Partnerships & Collaboration: Partnership and collaboration aspects are crucial elements in strengthening Ohhnadskitch.id's agility. Active partnerships with raw material suppliers ensure stable and high-quality supply. Furthermore, collaborations with major brands such as Emina, OMG, and New Face, as well as partnerships with Event Organizers for workshop training, expand market reach and enhance brand credibility. Such strategic partnerships enrich Ohhnadskitch.id's internal and external capabilities, enabling them to adapt more quickly to market changes and face intense competition.
- 8. Competitor Response Strategy: Competitor strategy perceptions are obtained through market observation, product analysis, and target market analysis. The information collected is used to identify competitive advantages and anticipate competitor moves. Ohhnadskitch.id has its own target market and strategy to develop and compete against competitors.

### 1. Application of Dynamic Capability Theory

Dynamic capability theory is an organization's ability to sense opportunities and threats, seize those opportunities, and reconfigure resources to create and maintain competitive advantage (Teece, 2018 in (Wahyudi, 2025)). Based on this dynamic capability theory, several applications have been identified in Ohhnadskitch.id as follows:

1. Opportunities (sensing): Ohhnadskitch.id actively demonstrates its sensing capability by analyzing market changes. It not only analyzes market trends, consumer preferences, technology, and economic changes but also understands the

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competitive landscape to identify opportunities.

- 2. Seizing opportunities: Ohhnadskitch.id effectively seizes opportunities. This is evident in its continuous product innovation, focusing on the uniqueness and artistic value of its cakes. Utilizing effective marketing strategies through social media (TikTok, Instagram, WhatsApp). Ohhnadskitch.id also uses the Paxel app to distribute its products and demonstrates speed in reaching a broader market. Pricing based on the difficulty level of the cake, not just competitors, shows boldness and a strong differentiation strategy.
- 3. Reconfiguring: Flexible product development and business models, such as consistently creating new products and transitioning from online sales (COD) to opening physical stores. Forming multifunctional teams by building teams tailored to specific skills for each stage of production and sales to enhance efficiency. Continuous employee training, such as training staff in information, operational, and new technologies to improve internal capabilities and productivity.

# 2. The Impact of Strategic Agility on the Sustainability of Ohhnadskitch.id SMEs in Semarang

The implementation of strategic agility has a significant impact on the sustainability of Ohhnadskitch.id SMEs operating in the culinary sector, specifically cake products, in Semarang. By implementing strategic agility, the ability to adapt to changes in market dynamics can be enhanced, thereby influencing the sustainability of Ohhnadskitch.id's business. As discussed in the research findings (Haikal et al., 2024), the sustainability of the business at Rumah Makan Riski Puti Bungsu depends on its ability to overcome challenges and adapt to market changes. This means that the ability to respond and adapt to market changes must be applied to promote business sustainability. Ohhnadskitch.id implements agility strategy by analyzing market changes, adapting to shifts in demand and technological innovations, improving operational efficiency, managing human resources, optimizing production processes, fostering partnerships and collaborations, and developing strategies to respond to competitors. By implementing this strategic agility, Ohhnadskitch.id ensures that its business can maintain consistency in operations, build customer loyalty, foster creativity and innovation, and have effective marketing strategies. Thus, strategic agility is not just about survival but also about the ability to continue growing, being responsive, and adapting in the face of an ever-changing business landscape while ensuring long-term business sustainability.

# 3. The Application of Agility Strategy to the Sustainability of Ohhnadskitch.id in Semarang Using the Dynamic Capability Theory Perspective

In the context of MSMEs, agility is not only related to speed in responding to the market, but also the ability to adapt to changes in demand, technology, and dynamic economic conditions (Pratiwi, 2024). Ohhnadskitch.id has implemented strategic agility, which has significantly impacted the sustainability of its business by enhancing its adaptive capacity to market dynamics. Despite being a standalone business, the owner has successfully applied key elements of strategic agility, thereby influencing business sustainability amid the highly competitive culinary market dynamics. Ohhnadskitch.id implements strategic agility based on the theory of dynamic capability. The theory of dynamic capability emphasizes an organization's ability to respond and proactively adapt to changes in a dynamic business environment. Dynamic capability is an organization's

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ability to sense opportunities and threats, seize those opportunities, and reconfigure resources to create and maintain competitive advantage (Teece, 2018 in (Wahyudi, 2025)). Based on the theory of dynamic capability, Ohhnadskitch.id can apply strategic agility by:

- 1. Sensing: Ohhnadskitch.id proactively responds quickly to changes in market dynamics to sense shifts in customer preferences and remains vigilant toward competitors by collecting and utilizing competitor-related information to analyze opportunities within the competitive environment.
- 2. Seizing: Ohhnadskitch.id leverages the information identified through sensing to develop and implement strategies to capitalize on new opportunities. Ohhnadskitch.id applies strategic agility by innovating and being creative on a regular basis, optimizing production processes, and collaborating and partnering with suppliers or major brands to expand its reach and strengthen its market position.
- 3. Reconfiguring: To support sensing and seizing, Ohhnadskitch.id reconfigures its business to adapt and develop its internal capabilities. Ohhnadskitch.id applies strategic agility in reconfiguring by regularly reconfiguring its product development, innovation, and customer service processes. Additionally, the owner of Ohhnadskitch.id is developing production skills and providing training to employees to maintain product quality and excellence. Technological innovation, operational efficiency, and human resource management are also part of the reconfiguration to create competitive advantages and sustain the business.

### **CONCLUSION**

Based on research on strategic agility analysis in the sustainability of Ohhnadskitch.id using dynamic capability theory, it can be concluded that MSMEs engaged in the culinary field have successfully implemented strategic agility effectively, enabling them to maintain business sustainability in a competitive and dynamic market. This implementation of strategic agility is supported by the theory of dynamic capability, which involves the ability to sense opportunities and threats (sensing), seize or capitalize on opportunities (seizing), and reconfigure internal resources (reconfiguring). Thus, Ohhnadskitch.id's ability to adapt quickly to market changes, sense market trends and competitors, swiftly seize opportunities through product and technological innovation, continuously transform and enhance its internal capabilities, manage operations efficiently, and build strategic partnerships all demonstrate how strategic agility supported by dynamic capability theory has successfully enhanced competitiveness and ensured business sustainability.

Practically, this research contributes to culinary SMEs by emphasizing the importance of strategic agility and the development of dynamic capabilities in addressing market dynamics to maintain business sustainability. Academically, this research enriches the literature on the relationship between strategic agility, dynamic capability theory, and business sustainability in the culinary SME sector.

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