

MSME Development Strategy in Pekarungan village

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ABSTRACT

Background. I carry out this community service in Pekarungan Village in Sukodono District, Sidoarjo Regency.

Purpose. This village is one of 16 villages in Sukodono District which has the potential for the MSME sector which operates in various business sectors. Pekarungan Village has 225 MSMEs which have great potential to improve the community's economy. One of the potential areas of MSMEs in Pekarungan Village is the culinary center or MSMEs.

Method. The method that I will use for this research is a qualitative method by processing primary and secondary data. Through this program, I want to advance and develop the MSME sector in Pekarungan village by implementing MSME development strategies.

Results. Culinary in Pekarungan village is still facing several business development problems. These problems are related to ownership, capital and lack of knowledge about product innovation and financial management.

Conclusion. GANEFA peanut brittle has its own unique taste with very unique topping variants. According to one buyer, this peanut brittle is different from the others in terms of packaging and this peanut brittle is good. So peanut brittle is one food that can increase the market price significantly if it has good packaging.

KEYWORDS

Development, MSMEs, Pekarungan Village

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INTRODUCTION

Strategy is the science of planning and determining the direction of a business on a large or small scale. The purpose of a strategy is to enable an organization to work effectively and efficiently. Basically, strategy is a method used to help and make it easier to solve problems, apart from that, strategy itself means definite steps and can also solve problems well (Arianto dkk., 2017).

Business development is one of the business owners' efforts to increase the profitability of their company or the company's ability to generate more profits by using all of the company's capital. In the midst of increasing corporate competition, business development is every entrepreneur's mission to survive ("Eco Cuty," 2023; Sasana dkk., 2021; Soegoto dkk., 2020). The reason is that business competition does not discriminate between large or small companies. Of course, there is competition between companies at all levels that cannot be avoided. Therefore, an effective strategy is needed that must be prepared, because implementing business development is something that cannot be done without clear planning (Magdalena, 2022).

Business development depends on the ability of entrepreneurs and managers in running their daily business (Gani dkk., 2022; Kurnia Rahayu dkk., 2023; Zhang dkk., 2020). According to the Big Indonesian Dictionary, development is a process, method, act of development. Development is a planned effort by an organization to improve the knowledge, skills and abilities of its employees. The focus of development is on improving future work skills integrated with other activities that change work behavior (Fai'zah Laila Maulidah1), 2020).

Micro, small and medium enterprises or commonly called MSMEs, namely the business world, namely productive economic enterprises owned by individuals or corporations according to the criteria of the lower middle class. Micro, small and medium enterprises, MSMEs can also be interpreted as one of the development priorities of every country (Batra, 2023; Pulicherla dkk., 2022; Vinzuda dkk., 2021). This is due to the large contribution of MSMEs to the country, especially in the economic and social fields. Apart from accelerating the country's economic growth, MSMEs play an important role in absorbing labor from the informal sector and distributing community income, especially in the regions. Therefore, the central and regional governments have formulated and implemented various supporting policies and programs to support MSME independence and sustainable growth. The aim of these actions and support programs is to protect and develop MSMEs by creating a profitable business environment. The role of MSMEs is not only known in developing countries. Economic growth in developed countries is also significant thanks to the growth of MSMEs (Sufiani, 2022).

The Sidoarjo Regency Cooperatives and MSMEs Service implements MSME development in the form of policies or programs, namely legal outreach, the MSME market and human resource development through training such as marketing training, product packaging and product innovation training. Of course, such development must be pushed down to the village level. Pekarungan Village is one of 16 villages in Sukodono District, Sidoarjo Regency. According to the Pekarungan Village Management Agency, up to 225 SMEs operate in various sectors (Komalasari dkk., 2022).

The following is data on MSMEs in Pekarungan Village:

No.	Business sector	Amount
1.	Culinary	107
2.	Services	46
3.	Sales of goods	102
Amount		225

Source: Pekarungan Village MSME data

One of the MSMEs spread across Pekarungan village is the rempeyek business such as Ibu Ngatmini's peyek which is located in Pekarungan village, Rt 08 Rw 03. This UMKM was established in 2012. When he first started this business, he was just having fun with his hobby of cooking, one of which was cooking rempeyek, so the neighbors were interested. with his peanut brittle and marketed it to the local community.

MSMEs or Micro, small and medium enterprises are one of the companies that are started among Indonesians. These traders are not only women or men and not only adults but also students

and students. Rempeyek is a type of snack that is very crunchy and has a salty taste (Amrita dkk., 2022; Babber & Mittal, 2023; Latianingsih dkk., 2022). Another name for peanut brittle is peyek, this is a type of complementary food. Apart from that, the function of peanut brittle is the same as crackers.

Ibu Ngatmini's peanut brittle has one quite prominent advantage, namely the style or taste of the empeyek which uses good quality and healthy ingredients such as peanuts, anchovies and shrimp, which can differentiate it from other similar companies (Qureshi dkk., 2022; Vo Thai dkk., 2023). However, this company continues to struggle to adapt amidst increasingly tight market competition because business owners usually only focus on capital issues and the peanut brittle sold is only packaged in simple plastic packaging and is not labeled to provide information about the product and also provide the brand identity itself. . So my program this time is to develop MSMEs by making packaging labels (Satriadi1 dkk., 2023).

RESEARCH METHODOLOGY

The location of the MSMEs that I researched was at the owner's house, namely in Pekarungan village, Sukodono. The MSMEs are 12 km from the Sidoarjo Nahdlatul Ulama University campus.

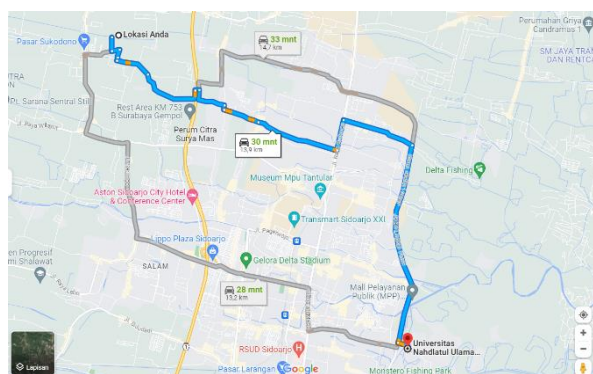


Figure 1. Distance of MSMEs to Nahdlatul Ulama University Sidoarjo

The peanut brittle business activity can produce up to 6 kilos of dough every day and make 6 – 8 large jars. He has no employees, only with the help of his children.



Figure 2. Process of making peanut brittle

The object of this research is the design of packaging labels for a product, while the subjects in this research are MSME actors engaged in the food sector, namely peanut brittle products originating from Pekarungan village, Sidoarjo Regency called 'Rempeyek GANEFA'. GANEFA's MSME development strategy for peanut brittle products is implemented using several methods, namely production and observation methods as well as library research methods (Pamuji & Limei, 2023). Observations were made by directly observing GANEFA's peanut brittle efforts to get a clear picture of the research object.

To find out the initial conditions of GANEFA's peanut brittle UMKM, a direct interview was conducted with the owner of the rempeyek UMKM, Mrs. Ngatmini. The aim is to get direct information about the problems faced by entrepreneurs. This implementation stage provides solutions to identified problems. As with other stages of data collection through documentation (Satriadi1 dkk., 2023). This research was conducted qualitatively, because the aim was to find out phenomena that occur in society. A qualitative approach is used because this research does not use numerical data or statistical analysis but rather information is obtained from data collection, Primary Data and Secondary Data. Basic data collection was carried out using a survey method, where informants were interviewed (Fauzi, 2022).



Figure 3. Observation

To make his products he uses tools and materials such as pans, spatulas, scoops, basins, knives, rice flour, starch, salt, turmeric, flavorings, garlic and lime leaves. The process of making peanut brittle takes 3 – 4 hours using 2 large frying pans. The marketing implementation of peanut brittle follows the 3 P principles, namely, high quality products, correct pricing and a clear market. In line with consumer demands from parties involved in the marketing of peanut brittle, for this reason I created a brand logo affixed to the peanut brittle packaging.



Figure 4. Brand Logo

The use of quality raw materials, packaging of peanut brittle is also categorized as quite good because it uses plastic sealer, and also time effectiveness, and there is also a new brand logo, in order to attract a wider customer network (DEWA dkk., 2015).

RESULT AND DISCUSSION

Micro, small and medium enterprises are businesses controlled by individuals or groups whose goal is to succeed with individuals and groups (Fiqih dkk., 2023). Apart from its strategic role in national development, employment absorption and economic equality, the existence of

village MSMEs is also considered to have the potential to develop the community's economy (Taufik, 2017).

To maintain market share, GANEFA's peanut brittle must compete with the same competitors. Therefore, it is necessary to identify, analyze, and design competitive strategies because bad companies ignore competitors, average companies imitate competitors, and winners outperform their competitors. According to (Magister dkk., 2018) says that companies ignore competitors, the average company will imitate competitors, companies that win outperform competitors.

Innovation management is understood as the process of driving innovation for economic and social success, which is achieved effectively and efficiently by maximizing all company resources (inside or outside the company). There must be innovation so that consumers can accept the products produced. Many companies leave because they cannot compete with the same products. Therefore, innovation must be carried out in such a way that it has a positive impact on other products. Over time, entrepreneurs in companies must innovate and be creative (Fadiyah dkk., 2023; Hermansyah dkk., 2023). Creativity and innovation have a big influence on the long-term existence of a company. Technological developments can be used to improve the quality of a company so that it can develop and survive.

Technological developments can be used to support the quality of a company so that it can develop and survive, for example by creating a new brand logo so that people are more familiar with its products. The packaging is still very simple, indicating that packaging technology has not been implemented. Quality products must be supported by attractive packaging. This condition becomes a weak point for GANEFA to market its peanut products when the product appearance deteriorates. In fact, product packaging really determines product marketing.



Figure 5. After creating the logo

Product packaging ultimately determines the selling price of the product. Another consequence of poor packaging technology is shortening the shelf life of the product. GANEFA's peanut brittle marketing activities are not yet optimal because they are only done by word of mouth because their reach is very limited so product information cannot be disseminated widely (Basalamah dkk., 2018).

CONCLUSION

GANEFA peanut brittle has its own unique taste with very unique topping variants. According to one buyer, this peanut brittle is different from the others in terms of packaging and this peanut brittle is good. So peanut brittle is one food that can increase the market price significantly if it has good packaging.

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AUTHORS' CONTRIBUTION

Author 1: Program Compiler

Author 2: Supervisor

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