Indonesian New Exporter (INE) as a Training and Development Model Micro Small and Medium Enterprises (MSMEs) in The Field of Handicrafts

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**Abstract**: The Indonesian New Exporters (INE) program is a model for export development through training from upstream to downstream. Indonesia's handicraft export activities during the Covid-19 pandemic experienced a significant decline. A good strategy is needed in its development so that the handicraft sector MSMEs can enter the export market. This study aims to create a new exporter solution in the handicraft business sector. The method used in this paper is descriptive qualitative through learning by providing knowledge training and practice. The training includes the manufacture of new products, branding, displays, pricing, negotiations, delivery methods, completeness of export documents, and promoting handicraft products at the International Craft Exhibition. Material by preparing superior craft products according to global market demand. This research involved 20 MSMEs participants in Bantul Regency, Yogyakarta Special Region. MSMEs participants gain experience in preparing new handicraft products to export sales methods. The creation of handicraft products is adjusted to the growing trend in the world of export destinations. The results show that the training provided can increase the number of new entrepreneurs in the handicraft sector. New entrepreneurs who understand the mechanism of handicraft export can be formed correctly. INE offers clear directions for coaching and business development in the export-oriented handicraft sector. INE provides support and support in improving the community's welfare and economy and increasing the State's foreign exchange.

**Keywords**: MSMEs, Handicraft, Training, Export, Indonesian New Exporter

1. **Introduction**

Handicrafts become one of the needs for the fulfillment of the interior in the life of a cultured human being. Interior design has an essential concept in determining comfort as a fitness place, even a comfortable maternity place (Augustin, 2018). The handicraft industry is one of the complementary residential interior sectors and various other needs that continue to grow in Indonesia. Craft art produced by artisans in traditional regions plays a socioeconomic role (Vaculčíková et al., 2020). The craft sector contributes extensively to economic growth, increasing the income of artisans on Indonesian MSMEs' scale (Warlina & Habibi, 2019). Craft arts accommodate the craftsmen's local skills who can provide job opportunities in the scope of tourism-oriented handicraft arts as part of preserving the nation's cultural heritage (Upadhyay, 2020). Cultural heritage is managed by preserving cultural assets to communicate that heritage in a new way, an effective way of promoting it (Carbone et al., 2020). That legacy is an idea that can be explored as literacy in the learning process (Miller, 2019). The exploration process can be used as a material to modify the creation of craft artworks. The need for products from the craft industry continues to increase because it provides artistic value that can give comfort to support various activities. Handicrafts are artistic jewelry and decorative items beneficial to the livelihoods of artisans in the countryside. The national character strongly reflects the local community's customs, social ethics, love, and hatred (S. Li et al., 2020).

Handicraft products have become a commodity in the business world that is marketed to domestic and foreign regions. Proactive craft marketing methods have a positive influence on export performance. This method can positively influence Indonesian government regulation in its development program (Simard et al., 2019). Handicraft export activities have become an important part of the Indonesian nation. The development and development of handicraft exports are carried out regularly from management to how the export licensing itself (Adnyani & Purnamawati, 2019). Development and training programs for export become one of the activities that continue to be carried out by the government. Craft companies with products for the local market are improving their skills to export. The improvement of the organization and competence of its staff to export performance is also more positive. Education and skills to conduct export activities focus on export performance (Alshiqi Bektешi, 2019).

Indonesia’s export data in the Ministry of Trade in 2019 reached US $ 892 million, up 2.5 percent. In 2020 there was a decrease of 30 percent due to Covid-19 and increased again in early 2021 by 25 percent. Export
activities include licensing on the origin of materials, especially wood, to improve competitiveness globally (Nurkomariyah et al., 2019). Competitiveness is important considering the abundant natural resources need to be improved in terms of human resources to enhance the quality of handicraft products. Competitiveness is formed from the corporate governance of handicrafts covering corporate capabilities, leadership, bankability, and business ethics (Hamdani et al., 2020).

Indonesian handicrafts now also play an important role as a source of foreign exchange because of export activities. Strategies to improve policies and priorities in the long and short term, including natural, social, and cultural resources (Chanda et al., 2020). The competitiveness of handicraft exports is more competitive when it has entered the world market. This situation makes craft manufacturers compete to produce quality products following the wishes of consumers. Craft as a business quality offering by managing effective and efficient resources, environmentally friendly, and qualified for consumers (Kristinae et al., 2020). The export potential of handicrafts from Indonesia has good prospects. The prospect of craft entrepreneurship has a dominant power in developing handicraft businesses (Islam et al., 2020). Entrepreneurship in the form of small and medium enterprises, there are many MSMEs in handicrafts scattered throughout Indonesia. MSMEs' sustainable, dynamic activities in the future have a good impact on the economy with the risk of growing global competition (Issues et al., 2019). The international craft business drives returns, sustainability gains, especially for developing countries. Therefore, the need for standardization, process control, public awareness, and the introduction of intellectual property rights, including brand rights, continue to be done as challenges that must be met (Zhang et al., 2020).

Natural resources and creative-innovative personnel support them. The increase in collaborative spaces of individual and collective creative areas creates a craft of many innovations and transformations of work and (Schmidt, 2019) Co-working is one way to spark creativity in creating new craft products is the key to success in developing the arts of craft. Thus, eco-innovation affects the craft industry's growth (Astuti et al., 2018). However, the development model has not been well programmed. Development activities are still partially unfolded integrated, especially in the development of handicrafts export commodities. A framework is required in organizing the company's training program to provide understanding for employees within the company (Luburić et al., 2019). Crafting is still imitating the order of the buyers. The collective creativity required of evolutionary intelligence from joint estimates produces an existing mimicking effect (Mann & Helbing, 2017). There has not been much creation of new products created by artisans who are mature in thinking about marketing. Therefore, INE is required, a coaching and development program for new entrepreneurs in crafts to understand the processes and mechanisms in conducting production. Development model with INE program of creating new handicraft products with character to enter the export market of handicraft products from Indonesia.

2. Methode

This study uses a descriptive quantitative training model method by explaining how to make new craft products. Learning as a method through direct practice in traditional crafts can lead to cognitive learning that can improve skills in learning traditional crafts (Ji et al., 2020). Creating handicraft products with character that can enter the handicraft export market. The application of training in the form of exploration of craft making following the world's growing design trends. Methods based on thought-provoking ways are more effective, diverse, and practical as a guide in creating crafts (Li, W. T. et al., 2019). Develop creativity with a basic design and aesthetic approach with the latest social, economic, and cultural perspectives. The adaptation of artisans to technology can show economic, social, and environmental trends (Dumasari et al., 2017).

The training includes the manufacture of new products, branding, displays, pricing, negotiations, delivery methods, completeness of export documents, and promoting handicraft products at the International Craft Exhibition. Material by preparing superior craft products according to global market demand. This research involved 20 MSMEs participants in Bantul Regency, Yogyakarta Special Region.

The INE model provides training, including 1. Creating a concept for the creation of craft products according to world trends, 2. How to brand products, 3. Displaying exhibitions to communicate with consumers, 4. Pricing, 5. Export administration, and 6. International promotions. The scope of implementing the INE instructor and training program materials can be seen in Figure 1.
Experts, in this case, draw from exporters and instructors who are experienced in the handicraft business world. The workshop needed experts as an important part of an innovative mechanism to create a vocational education system (Ovchinников, 2019). Exporters are members of the Indonesian Trade Industry Association (ASMINDO). ASMINDO is a furniture and craft association that develops product designs, prices, and human resources for artisans and designers (Ciptagustia & Kusnendi, 2019). Program material is prepared from the start related to the company's upstream-downstream preparation process in carrying out export work. So that MSMEs prioritized in this training can be independent with assistance for two years. The new export flow starts from the manufacture of products and the International Handicraft Exhibition. The completeness of the instruments can be seen in Figure 2.

This paper's population includes training models provided by stakeholders in new craft entrepreneurial development programs to enter the export market. The training model is done a lot and may not be suitable, causing training problems (Tran et al., 2020). Other populations are craft entrepreneurs in Indonesia. Significantly help the people of entrepreneurs provide insight into demographic variables (Zhao et al., 2021). In the program's application, it is selected as a participant of the INE program with the terms and conditions used as a sample of entrepreneurs in this program. INE as a sample model in this development and selecting a sample of entrepreneurs is the determination after the INE model is implemented. Instruments in the application of this model include instructors, funding, training materials as the main instruments in influencing the understanding of craft export. Interactions that affect each other with a network of environments, good friends, business contacts jeopardize the company's nature substantially (Birley, 1985). In its implementation when recruiting participants using surveys/questionnaires and interviews. This can expand the confidence learned from an established entrepreneur with him (Cunningham & Anderson, 2018). This is referred to as a method of determining the success of training with the INE model. A model that can provide training as an important model is conveyed in this writing. The material in training can be seen in table 1.

Figure 1. Scope of implementation of INE instructors and program materials training

Figure 2. The new Export flow starts from the manufacture of products and the International Exhibition of Handicraft Products and its completeness instruments
Table 1. Material in training

<table>
<thead>
<tr>
<th>No</th>
<th>Material</th>
<th>SUB MATERI</th>
<th>Lesson Time</th>
<th>SCAMMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Entrepreneurship</td>
<td>Motivation Venture</td>
<td>2</td>
<td>Expert in motivation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Export Entrepreneurship</td>
<td>2</td>
<td>Successful entrepreneurs of craft products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulation</td>
<td>2</td>
<td>Export regulatory experts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Occupational Health and Safety</td>
<td>2</td>
<td>Occupational Health and Safety expert</td>
</tr>
<tr>
<td>2</td>
<td>Production Governance</td>
<td>Production Engineering</td>
<td>2</td>
<td>Production Engineering Experts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trend design knowledge</td>
<td>3</td>
<td>Designer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product Development</td>
<td>3</td>
<td>Product Design</td>
</tr>
<tr>
<td>3</td>
<td>Exhibition Governance</td>
<td>International Exhibition</td>
<td>2</td>
<td>Event Organizer Exhibition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge display</td>
<td>3</td>
<td>Designer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trend product setup</td>
<td>3</td>
<td>Designer</td>
</tr>
<tr>
<td>4</td>
<td>Marketing Governance</td>
<td>Software Marketing</td>
<td>2</td>
<td>Computer experts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HR Marketing Setup</td>
<td>2</td>
<td>Personalia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Branding</td>
<td>2</td>
<td>Product and Marketing Experts</td>
</tr>
</tbody>
</table>

3. Result and Discussion

The INE program is designed with curriculum and teaching materials following the conditions required in export activities. Training is designed with a curriculum of 20 percent theory and 80 percent practice. Basic knowledge and motivation encourage prospective exporters to be more steady to become export entrepreneurs, impacting entrepreneurial characteristics that can work independently with competitive networks (Prajapati & Biswas, 2011). Supply in the form of motivation in conducting export activities is given by instructors who have experience in handicraft export. Experts’ opinion is a consideration to make important decisions in export performance (Lassoued et al., 2019).

Further explanation on how to create new handicraft products by the intended export market. Adjustment of emerging craft design trends in the world market. Current design trends and future development of craft require sustainable development strategies, explaining export opportunities and the situation when product creation is new, especially knowledge about trend craft design. Trends focus on standout products with an independent timeline in the global market (Dasgupta et al., 2019). Exploration of existing forms is the development of new products based on existing products. This product should enter its niche as a new product that was not previously found in the market. Satisfaction display in supply affects customer loyalty to make purchases (Prashar & Verma, 2020). Display in a good exhibition is the attraction of consumers to approach and make transactions. Then it takes knowledge of materials and tools to display required, in addition to aesthetic knowledge to display it interesting. The practice is accompanied by experienced display instructors.

The procedure of sale required clear and detailed information on handicraft products. Product branding is necessary for conducting export sales. Branding, product quality, references, and promotions affect product purchases. Variable brand and product quality also have a significant and positive effect on purchasing decisions (Sudirman, 2020). Marketing software includes catalogs, inquiries, purchasing orders, invoices, packing lists, invoices, bill of loading, notification of export goods, and business cards. Customers are presented with seller-generated content from product catalogs, such as product images, textual descriptions, and lists (Moraes et al., 2020).

Preparation of human resources as marketing that has functional language competencies, especially English, knowing the process, flow, and production capacity, knows the delivery procedures, cubication calculations, etc. Professional marketing manager improves business performance and marketing, adjusting to the characteristic company (Hoeckesfeld et al., 2020). Promotional work practices with a professional workforce give consumers confidence and confidence that the products ordered are ensured as expected. Post-exhibition mentoring is also carried out, especially follow-up orders obtained from the exhibition. Evaluation is important to find improvement if the results are not maximized.

Have an excellent entrepreneurial spirit through psychological tests. Role models to be entrepreneurial are heavily influenced by family and the environment (Maulida et al., 2020). The entrepreneurial spirit is emphasized to the participants so that the company can succeed. Understanding how the export market handicraft business is based on an excellent entrepreneurial spirit will be easier to develop the business. Entrepreneurial spirit becomes
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its strength in preparing generations of entrepreneurs who have local wisdom for the future (Ahsan et al., 2016). They have a sense and instinct of trying, especially in product manufacture, funding, commitment, and other business risk courage. Risk management builds a system in an effective management system in achieving goals (Domańska-Szaruga, 2020).

At the beginning of the training, participants were given material about motivation. The entrepreneurial process makes the motivation to defend the business from bankruptcy, business operating system, and superior product development process (Xuan Luan & Thanh Tung, 2019). Expert craft entrepreneurs give motivation as a role model of successful entrepreneurs. The participants have a shadow in the future. They will also be successful. Also conveyed the experience of export dynamics and how to manage the craft business, ranging from human resource management, nature as materials, production systems, promotions, and others. Export quality affects a company's export intensity and capital structure (Pinto & Silva, 2021).

The creation of new products described how craft design trends in the world. Learn about the various forecast trends emerging from the destination country. With literature analyzing the features of design trends as interdisciplinary subjects oriented towards the creation of new products (W. T. Li et al., 2019). The trend of products on the market is used as a driver to understand the characteristics of color, shape, and character only, to be transferred in the form of new products that impress trends. New products can also be created by looking at trends as bargaining values, new products as entirely new objects, none before. The trend becomes a lifestyle of preserving the environment as a potential market that must be understood by MSMEs (K. Raharjo, 2019). After getting various inputs from experts, then producing a new design according to the product's character in the company. New craft products can be made changes by modifying both shapes, functions, and finishing. It is adapted to the current market of handicraft products and will trend at this time.

New products are then included in international exhibitions that exist in the country. Product branding is important in stepping towards the global market. The exhibition is Jogja International Furniture and Craft Fair Indonesia (JIFFINA). The exhibition aims to provide branding of craft products in national and international markets (T. Raharjo, 2018). Participation in this exhibition is equipped with preparing marketing tools to include catalog, brochure, business name, hand tax, and nota. It takes human resources' evolution to adapt in cooperation and possible disposition to find relationships (Curry et al., 2019).

Table 2. The material of training practice

<table>
<thead>
<tr>
<th>No.</th>
<th>Material</th>
<th>Sub Material</th>
<th>Time</th>
<th>Companion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Practice making products</td>
<td>Product Type Determination</td>
<td>Assistance/week for 3 months = 12 presence X 8 = 96</td>
<td>Designers, marketing, and Experts in Craft Production Engineering</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create new products</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Display</td>
<td></td>
<td>Interior Experts</td>
</tr>
</tbody>
</table>

In the trial training conducted in 2020, out of 20 MSMEs participating in the INE program, 50 percent of participants in the JIFFINA 2020 international exhibition received orders and conducted export activities. On average, they get orders from European-Americans. The list of training participants can be seen in table 3.

Table 3. Participants who attended the training

<table>
<thead>
<tr>
<th>No.</th>
<th>Company Name</th>
<th>Commodity</th>
<th>Destination Export</th>
<th>Number of Exports/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nusantara Perkasa</td>
<td>Ceramic</td>
<td>Netherlands, Spain, Germany, USA</td>
<td>180 M³/month</td>
</tr>
<tr>
<td>2</td>
<td>Bongo Art</td>
<td>Wooden Craft</td>
<td>Consolidation</td>
<td>60 M³/month</td>
</tr>
<tr>
<td>3</td>
<td>Rupa Datu</td>
<td>Furniture</td>
<td>Malaysian, Spanish, Dubai</td>
<td>20 M³/month</td>
</tr>
<tr>
<td>No.</td>
<td>Company Name</td>
<td>Product Type</td>
<td>Countries</td>
<td>Monthly Capacity</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------</td>
<td>---------------------------------------</td>
<td>------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>4.</td>
<td>Jawa Classic</td>
<td>Furniture &amp; Wooden Craft</td>
<td>Dutch, Australian, English</td>
<td>40 M³ / month</td>
</tr>
<tr>
<td>5.</td>
<td>Soko Griyo</td>
<td>Furniture</td>
<td>France</td>
<td>70 M³ / Months</td>
</tr>
<tr>
<td>6.</td>
<td>Inovasi Jaya Mandiri</td>
<td>Furniture</td>
<td>Dutch, German, Australian</td>
<td>40 M³ / month</td>
</tr>
<tr>
<td>7.</td>
<td>CV Jaroe Design</td>
<td>Furniture</td>
<td>Europe, Iraq</td>
<td>40 M³ / month</td>
</tr>
<tr>
<td>8.</td>
<td>CV. Solution Export</td>
<td>Wooden Craft</td>
<td>Spain; French, Bulgarian, UAE</td>
<td>120 M³ / month</td>
</tr>
<tr>
<td>9.</td>
<td>PT. TALAINDO (project only)</td>
<td>Furniture dan home décor</td>
<td>Italia, USA, Singapore, Malaysia, Russia</td>
<td>60 M³ / month</td>
</tr>
<tr>
<td>10.</td>
<td>CV Living</td>
<td>Wooden Craft</td>
<td>European, Australia, United States</td>
<td>20 M³ / month</td>
</tr>
</tbody>
</table>

*Source: Primer*

Nusantara Jalu Perkasa pottery craft company has conducted export activities to the Netherlands, Spain, Germany, and America. An average of one-month exports three 40M³ containers to several countries. When compared to CV. Indah Solution difference of one container because each container is calculated 60 M³ if filled with handicrafts. Beautiful Solution with wooden craft products. Rupa Datu and C. Living only get 20M³ each. This is due to limited production infrastructure support. However, overall the increase in the number of orders occurs when the INE program has not been implemented and afterward.

Handicraft products are widely produced made of wood, especially teak wood. This type of wood has a distinctive beauty and resistance to weather. Ceramic handicrafts have a reasonably high order level. Nusantara Jalu Perkasa has a distinctive design, and its rivals are relatively not much. Furniture products are relatively much-using teak wood. Teak wood raw materials are relatively abundant in Central Java and East Java, an area close to Yogyakarta.

The average buyer from Europe, America, and Australia. However, there are some buyers from Asia, not as much as Europe and America. Design trends refer to European-American trends. In this case, because of Paris's movement, France is one of the countries that often become role models of world trends. In general, instructors who double as entrepreneurs have gained that trend by looking at several exhibitions globally, including a craft exhibition at the French Maison Objet in Paris. Also an exhibition at Ambiente Germany.

The procedure in this paper is to convey the model as a coaching program so that entrepreneurs can carry out export business activities. Business integrity, innovative development, and holistic inventory can increase production (Khvesyk et al., 2019). This model is offered to stakeholders for funding. Stakeholders of both the government and related institutions in expanding the export of handicrafts. Contributions to government partnerships as a strategy to resolve existing constraints, including finance (Kavuma et al., 2020). The workshop required experts an important part of the innovative mechanism for the creation of a vocational education system (Овчинников, 2019). The success of corporate governance of MSMEs crafts on factors of business ethics, public information, and corporate capabilities and competitiveness. Mentoring program in intensive workforce development, small business assistance from the government (Craft et al., 2020). The role of craft design as a sustainable craft development with problem-solving in the future of the craft product itself (W. T. Li et al., 2019). Branding influences quality competitiveness and customer trust as an export strategy of artisans (Sitabutr & Deebhijarn, 2017). displays exhibitions to communicate objects' content and consumers get complete information (Fuadianti et al., 2020). They are related to customer satisfaction and determine the optimal price for a particular market (Schuller et al., 2018). Optimalisasi teknologi bisnis dalam sistem administrasi transaksi kepabeanan dan pembayaran ekspor-impor (Novikova et al., 2020), promote at international exhibitions by evaluating using exhibitions to encourage creative ideas, build reputations, and develop careers (Domini, 2020).

4. Conclusion

This integrated coaching model, in real terms, will form a formidable new exporter candidate. The coaching pattern has cooperated with several associations, entrepreneurs, state-owned enterprises, and governments, both central and regional so that the INE program can be appropriately organized. This method will directly impact businesses because it meets with buyers with new product ammunition and convincing handling. Handicrafts have
a design character following the intended market. Visually it has a unique name suitable for export markets, especially American-European. Products are always made new every year as ready-to-sell materials. This facilitates a way of thinking for artisans to improve their company in export marketing.

It also spurs the pattern of creation to the craftsman in creating new works. This pattern becomes a reference for the development of potential artisans in entering the export market. They understand how to prepare the material and see their competitors create new products according to the intended market. In turn, it can increase the diversification of handicrafts in the export trade, which is beneficial for the country's economic development.

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