

Counseling On Business Development In The Era Of Adapting To New Habits For The Group Of Household Food Industry, Margasari Sub-District Of Bandung

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Article History: Received: 11 January 2021; Revised: 12 February 2021; Accepted: 27 March 2021; Published online: 10 May 2021

Abstract: During the COVID-19 pandemic, approximately 37 thousand Micro, Small, and Medium Enterprises (MSMEs) are affected due to decreased purchasing power. Since June 27, 2020, the government has started to implement the period of Adapting to New Habits (*AKB* or *Adaptasi Kebiasaan Baru* in Indonesia) for West Java. The government has allowed the opening of 90 percent of the economy in the blue zone and 60 percent in the yellow zone, hence MSMEs and economic activities can slowly come back to life. The Margasari sub-district, which is located in the Buah Batu district, Bandung City, is included in the yellow zone. This is where business actors are starting to be encouraged to actively move and be able to adapt to the *AKB* era. The Household Food Industry (IPRT) group is no exception, which has a quite large number in the region. The IPRT group of the Margasari sub-district does not yet have an understanding and ability in business management that can adapt to the *AKB* era, especially in terms of production and distribution following government recommendations. The purpose of the community service activity (*PKM* as *Pengabdian kepada Masyarakat* in Indonesia) is to serve as efforts in providing insight into managing business in the *AKB* era. Counseling and business strategy assistance includes knowledge in planning production, distribution and online-based marketing strategies in the *AKB* era.

1. Introduction

Amid the recent outbreak of the Coronavirus (Covid-19), it has also initiated its impact on the economic sector in the country. From an economic point of view, certainly, it will experience disruption considering community activities will go through limitations. WHO announced the Covid-19 pandemic on March 11, 2020. On that date, the number of confirmed cases was around 121,000 (Utomo, 2020). On April 13, 2020, President Joko Widodo officially declared Covid-19 as a national disaster. This determination was stated in the Presidential Decree (*KEPPRES* as *Keputusan Presiden* in Indonesia) of the Republic of Indonesia Number 12 of 2020 concerning the Designation of Non-Natural Disaster for the Spread of Corona Virus Disease 2019 (Covid-19) as a National Disaster (Indonesia, 2020).

The impact suffered by the community due to the Covid-19 pandemic is awfully broad and touches almost all aspects, especially economic aspects. The government estimates that as many as 3.78 million Indonesians will fall into poverty and 5.2 million will lose their jobs during the Covid-19 pandemic, while the International Monetary Fund (IMF) projects the worst global recession since the Great Depression. Finance Minister, Sri Mulyani Indrawati stated that, with economic growth projected at the lowest level since the 1998 financial crisis, she suggested that there would be “support for business activities from the informal sector to micro, small and medium enterprises and the business world. It is due to its relation to layoffs and social impacts”.

The IMF estimates that Indonesia's economic growth will fall to 0.5 percent this year from a four-year low of 5.02 percent in 2019. The IMF also projects that the unemployment rate in Indonesia will rise to 7.5 percent this year, from 5.3 percent last year considering the pandemic has reversed supply chains, forced companies to lay off employees, and destroyed demand for goods because consumers stay at home (Akhlas, 2020)

During the COVID-19 pandemic, around 37 thousand Micro, Small, and Medium Enterprises (MSMEs) are affected due to decreased purchasing power, lack of raw materials, and restricted export and import activities.

As long as no cure or vaccine has been found for the COVID-19 outbreak, people must be able to adapt to the conditions that come with it. Since June 27, 2020, the government has begun to implement the period of Adapting to New Habits (*AKB* or *Adaptasi Kebiasaan Baru* in Indonesia) for West Java. At the time, the government has allowed the opening of 90 percent of the economy in the blue zone and 60 percent in the yellow zone, hence MSMEs and economic activities can slowly come back to life.

As for the report from the Task Force for the Acceleration of COVID-19 Handling in West Java on June 12, 2020, 10 areas in the yellow zone or level 3 are Regencies of Bekasi, Bogor, Garut, Indramayu, Karawang, Sukabumi, and Cities of Bandung, Bekasi, Bogor, and Depok. Meanwhile, 17 areas in the blue zone or level 2 are Regencies of Bandung, West Bandung, Ciamis, Cianjur, Cirebon, Kuningan, Majalengka, Pangandaran,

Purwakarta, Subang, Sumedang, and Tasikmalaya, as well as the cities of Banjar, Cimahi, Cirebon, Sukabumi, and Tasikmalaya.

The Governor of West Java, when giving a keynote speech at the webinar "West Java MSMEs in the Era of Adapting to New Habits" on June 24, 2020, said that for MSMEs to be able to run, it is necessary to increase the capacity of the players, especially in dealing with new habits, namely being completely online and improving product quality.

The Margasari sub-district is located in Buah Batu, which has a fairly high population density, around 137 people/km². This condition had a major impact on the economic growth of the surrounding community. Margasari sub-district is one of the sub-districts that is included in the Buah Batu sub-district. Some of the people of the Margasari sub-district, Bandung City work as traders or business owners. The types of home businesses/industries that are growing quite rapidly in the Margasari sub-district are, among others, rental services for houses/boarding houses, grocery traders, and processed food traders.

Although economically, SMEs have a significant contribution to economic growth, in their development, they face various problems (Rahmana et al., 2012). According to the results of research (J. Situmorang, 2008) and (ES Winarni, 2006) Winarni, the problems faced by SMEs are as follows: (a) lack of capital, (b) difficulties in marketing, (c) simple organizational structure with an unstandardized division of labor, (d) low management quality, (e) limited and low human resources quality, (g) most of them do not have financial reports, (h) weak legality aspects, and (j) low quality of technology.

The problems that occur in the Household Food Industry Group (IPRT) in the Margasari sub-district are relatively similar to the situation and conditions of problems experienced by other local SMEs, namely decreased consumer demand and decreased purchasing power of the community, this is the impact of the Covid-19 pandemic. The household food industry group has a fairly large number, in line with the increasing need for food for people who live and do activities in the Margasari sub-district area.

The potential of the Margasari sub-district IPRT business can still be developed, including by improving product quality. Increasing product quality is strongly dependent on aspects of production and distribution. In this adapting to new habits era, the government encourages business actors to start activities to meet the needs of the community. Meanwhile, the community's need for food products has also begun to adapt to conditions in Indonesia, the community demands that the products consumed meet government standards concerning the Covid-19 Health Emergency Status in Indonesia.

The results of observations show that the IPRT group in Margasari sub-district has not been able to adapt to this adapting to new habits era, therefore, the level of sales of their products is still minimal. However, business actors are considered quite technologically literate and quite adaptive to new concepts relating to business development.

Under these conditions, opportunities arise to develop the IPRT group's business by increasing understanding and capacity in terms of production and distribution as well as marketing strategies that are following the needs of the community, in the era of adapting to new habits.

The problem identified by the IPRT group of the Margasari sub-district is that they do not have an understanding and ability in business management that can adapt to the *AKB* era, especially in terms of production and distribution under government recommendations. Good, clean, and safe product quality is recognized as the important factor that consumers need, where the Covid-19 pandemic is still ongoing. In addition, the IPRT group also needs an understanding of the use of social media for distribution and marketing strategies for their products, which in the *AKB* era, is one of the competitive business advantages.

The purpose of the community service activity (*PKM as Pengabdian kepada Masyarakat* in Indonesia) is one of the efforts to provide insight when managing a business in the *AKB* era, which has a very significant impact on the economic downturn in Indonesia. Besides that, it is also to increase the knowledge and understanding of the IPRT of Margasari sub-district for small and medium enterprises about business strategies which include knowledge in production planning, distribution, and marketing strategies that are following the needs of the community, in the era of Adapting to New Habits. The benefits of PKM activities are expected to be able to maintain the existence of IPRT, especially those in the Margasari sub-district so that its business will continue to grow after this outbreak pass.

This activity is one of the activities of the *Tri Dharma Perguruan Tinggi*. Widyatama University continuously carries out community service activities to help solve partner problems. The proposal for the Community Partnership Program proposes counseling on business development in the *AKB* era for the Household Food Industry Group (IPRT) of the Margasari sub-district, Bandung. Business development is focused on aspects of the production and distribution process, as well as aspects of marketing. This program is expected to improve the economy of the people in the Margasari sub-district area of Bandung while keeping safe from the spread of the Covid-19 virus.

2. Methods

With the problems faced by partners, our PKM team is looking for solutions with the implementation method that will be taken including the following steps:

The method of implementing the service consists of assessing the knowledge of the participants with a pre-test, providing dialogical lecture material, and measuring the final understanding with a post-test. This service was attended by representative participants for the Household Food Industry Group (IPRT) of Margasari sub-district, Bandung with a total of 6 MSMEs participants. Considering the activity is in the form of training, the methods used in the implementation of this training activity are lectures, questions and answers, discussions, simulations, and pair or group work.

The activity process begins with participant registration, providing training starting with food processing and distribution materials, as well as marketing strategy issues using online media. The delivery of the material ended by giving each participant an independent task to make their online-based promotional media according to participants' notions. In the process of making independent assignments, participants are provided with assistance in the form of consultations for those who experience difficulties. Independent assignments are used as the basis for determining competency attainment.

- a. The method of implementing PKM activities for the Household Food Industry Group in the Margasari sub-district is using counseling and mentoring methods. Household food industry (IPRT) actors who are used as PKM objects consist of 6 MSMEs. This PKM activity helps provide solutions for IPRT on problems of production and distribution of processed food, as well as problems with marketing strategies using online media.
- b. The implementation stage to solve problems at the Margasari sub-district IPRT is as follows:
 - a. In-depth observation of the flow and process of production and distribution, as well as the marketing strategies carried out by each IPRT.
 - b. Create an extension program.
 - c. Assessing IPRT's understanding of the Processed Food business management in the *AKB* era.
 - d. Providing Covid-19 Marketing, Production, and Distribution of Processed Food during the Covid-19 Health Emergency Status (*AKB* era).
 - e. Evaluating the level of IPRT's understanding of the Processed Food business management in the *AKB* era.
 - f. Provide assistance in the implementation of improved business management at each IPRT.

3. Results

PKM activities have been carried out on March 10-18, 2021 in the Margasari sub-district, Bandung. This activity involved 6 MSME players in the Household Food Industry (IPRT), consisting of MSME Sistik Mojang 39, MSME Donut/Bu Mimin's Warung, MSME Bu Ayoe's Wet Cake, MSME Bu Enung Catering, MSME Bu Ilah Fruit Salad, and MSME Rempeyek and Pepes Ikan.

The results of preliminary observations made on partners show information that MSME actors have not implemented health protocols when producing processed food. The use of masks, gloves, and the implementation of food sanitation has not been optimal. The same thing is also found in the process of distributing processed products, where they generally distribute their products directly (retail) to end customers. Business operators have not provided handwashing facilities, nor have they provided guidelines for health protocols in the shop or shop area. Meanwhile, in terms of product marketing, most MSME players still use conventional methods, namely by displaying their processed products directly at the shops/stalls they have or leaving them with resellers.

From the results of these observations, counseling materials are prepared and are tailored to the conditions of the partner's problems. Continuous activities are carried out in an online meeting (webinar) on March 15, 2021,

with materials related to food sanitation, hygiene practices, and personnel health, as well as physical distancing in the production and distribution of processed food. Guidelines for the Production and Distribution of Processed Food during the Covid-19 Health Emergency Status Period in Indonesia issued by BPOM RI in April 2020, is a reference material to be given to IPRT, Margasari sub-district.

After receiving counseling, the PKM implementation team assisted partner businesses. In this activity, MSMEs were given practical insights about food sanitation in production and distribution activities. MSMEs were also given additional tools for the product distribution process in the AKB era, such as gloves and masks for UMKM personnel, health protocol posters installed in distribution areas (shops/stalls) aimed at providing information to consumers. Apart from that, practically the PKM implementation team guides business actors in making their business marketing media on the marketplace.

In PKM activities, several indicators of success in achieving activity objectives include the following:

- Business owner participants can have an understanding of the distribution process of MSME products in the era of adapting to new habits.
- Participants who own businesses can have an understanding of food sanitation in MSMEs in the era of adapting to new habits.
- Business owner participants can have an understanding of how to market products with the help of digital technology
- Business owner participants can have an understanding of how to prevent the spread of the Covid-19 virus in business activities.

4. Discussion

Meanwhile, in terms of partner needs, through this PKM activity, it can be determined that IPRT in the Margasari sub-district needs to get business development assistance in terms of issuing business permits and halal certification for their processed food products. Therefore, the Industrial Engineering Department of Widyatama University may plan future PKM activities in accordance with the need.

5. Conclusions

Community service program activity in the form of counseling and assistance programs to strengthen MSMEs during the Covid-19 pandemic which took place in the Margasari sub-district, Buah Batu District, Bandung City received a fairly good response from the participants. Counseling and mentoring in the form of webinars did not dampen the enthusiasm of the participants to develop their business. The materials that have been given in the webinar include:

1. The process of distributing MSME products in the era of adapting to new habits.
2. The importance of and how to manage food sanitation in MSMEs in the era of adapting to new habits.
3. How to market products with the help of digital technology.
4. What efforts are carried out to prevent the spread of the Covid-19 virus in business activities.

It is hoped that the delivery of some of these materials can improve the knowledge and skills of business owners, especially in Margasari Sub-district, Bandung City.

6. Acknowledgements

This journal is a form of publication of the implementation of the Community Service Program (PKM) funded by P2M - Widyatama University with Contract Number 23 / SPC2 / LP2M-UTAMA / I / 2021, January 11, 2021.

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