

Micro, Small and Medium Enterprises (MSMEs) Empowerment Strategy in Pondokbungur Village, Purwakarta

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) are an important role in driving economic growth. However, in the digital era, MSMEs face the challenge of adapting to ever-evolving technology. The Community Empowerment and Service STIE WIKARA conducted product enrichment and market expansion in Pondokbungur Village, Purwakarta to optimize marketing, sales, and product calculations that are more profitable for MSME entrepreneurs. The results of this KPPM activity provide knowledge for MSME entrepreneurs to manage more attractive packaging, calculate production costs to obtain maximum profit, expand sales networks to seminars for MSME entrepreneurs to promote their products widely through digital and increase public knowledge about the use of digitalization.

Keywords : MSMEs, Digitalization, Pondokbungur, Enrichment Product, Enlargement Product

Introduction

MSMEs are productive businesses or enterprises run by individuals, groups, households, or small businesses that meet the standards as micro-enterprises (Amartha, 2024). MSMEs are the main foundation of the community's economic sector, this is done to encourage the ability of independence in developing in society, especially in the economic sector. The rapid development of MSMEs is currently supported by digital technology, increased access to e-commerce platforms, and government support through assistance programs and policies that facilitate small businesses so that MSMEs can create innovations in creating products that are in line with market trends, such as environmentally friendly and locally based products. In addition, access to financing and ease of business licensing also accelerate the growth of MSMEs, making this sector an important pillar in the national economy and job creation. The digitalization of MSMEs is very important because it allows these small businesses to expand their markets, increase operational efficiency, and adapt to

technological developments. By optimally using digital technology in running their business, MSMEs can gain a number of benefits, including being able to reach a larger consumer base, increase income, facilitate monitoring of business activities, and reduce costs, especially marketing, logistics, and shipping costs (Airlangga, 2002). Pondokbungur Village is located in Pondoksalam District, Purwakarta. This village has growing MSMEs, namely home industry convection, stalls, and Pondokbungur specialties. Based on a survey conducted by KPPM STIE WIKARA in 2024, there were 46 MSMEs in Pondokbungur Village. The majority of MSME actors in Pondobungur Village produce food that utilizes raw materials available in the area, namely cassava, bananas, and others. The types of food produced vary from dry foods to wet foods such as coconut root cakes, banana chips, krewel, ali cakes, and kecimpring. Kecimpring is one of the products produced by MSME actors in Pondokbungur Village which is made from processed cassava. This processing is one of the drivers of the MSME economy in Pondokbungur village.

This processing makes agricultural products into products that have added value and high economic value (Fitriyani, 2021) however based on a survey conducted by KPPM STIE WIKARA to the community and MSME actors in Pondokbungur village, the problems faced by MSMEs include

1. Sales in large quantities (Bal-balan), cannot order in small quantities;
2. Does not have a product identity, such as: logo and branding;
3. There are no diverse flavor variants in the product;
4. Product marketing is still traditional;
5. Products are only known around Pondokbungur Village.
6. Lack of public understanding in online marketing through E-commerce accounts;
7. The community does not understand how to distribute their products widely through digital platforms.

Therefore, KPPM STIE WIKARA on this occasion will provide support in strengthening the organization in Product enrichment in the form of product innovation education, product enlargement in the form of expanding the MSME product network, and digital marketing management workshops

to maximize what is expected to be utilized by the community/target group to improve digital marketing performance and have an impact on increasing turnover significantly.

Methods

The research and community service activities of KPPM STIE WIKARA are carried out using data collection techniques through discussions, location surveys, and research, as well as field orientation. The method of implementing this research and community service activity was carried out on July 1–August 31, 2024 in Pondokbungur Village, Purwakarta. This program is implemented through collaboration involving the community and village officials. Based on the problems that arise, the following is a description of the stages in implementing the solution. There are two stages, namely: planning and implementation.

1. Activity planning stage

a. Discussion

Discussion with all members of the KPPM STIE WIKARA group in Pondokbungur village, this discussion was held to collect opinions and suggestions from all members of KPPM STIE WIKARA regarding the work program that will be implemented during community service activities in Pondokbungur Village.

b. Location Survey and Research

This location survey and research aims to determine general field conditions, as well as understand the social, economic, and environmental conditions of the village. This is done so that the programs or activities to be carried out can be designed and implemented effectively according to the needs of the Pondokbungur Village community, especially hamlet 2 which can be relied on in the context of community empowerment. From this research survey, the main work programs were determined, namely product enrichment and product enlargement

c. Field Orientation

Field orientation is carried out to complete the planning and refinement of the work program that will be carried out in detail until the time of implementation of the activity.

2. Activity Implementation Stage

The implementation of activities is carried out in several stages, namely development, Product enrichment, and market enlargement. The products developed in the KPPM STIE WIKARA program for Bu Mimin's UMKM business actors are cassava chips, and for Minantu's UMKM children are Ali cakes, coconut roots, and kembang goyang. The following is a description of the implementation of these activities:

Table 1 Activity Stages

Activities	Objectives	Stages
Orientation	Analyze the problems that exist in MSMEs, and develop strategies to solve these problems.	Field survey
Product enrichment	Provide knowledge to MSME actors about the importance of variations in taste, logos, branding, and help MSME actors in creating or making quality products.	1. Create a logo and product branding. 2. Upgrade product packaging to make it more attractive. 3. Add flavor variants. 4. Add product size to 5. Pack the product in a smaller size (Repack) to get greater profits. Product distribution in various distribution channels, for example in souvenir shops.
Market enlargement	Expand marketing networks	1. Conduct an MSME Seminar entitled "Implementation of Digital Marketing of MSME Products in Pondokbungur Village" to increase knowledge and expand market share.
Digital Marketing	Educate the public about the importance of digitalization to facilitate online marketing.	2. Create an E-Commerce account (Shopee).

Business Legality

Register NIB for MSME actors in Pondokbungur Village.

Register online via the NIB website.

Results and Discussion

Product enrichment and market enlargement in the KPPM STIE WIKARA program are cassava chips, ali cakes, kembang goyang, and coconut roots. The UMKM actors used as examples for product enrichment and market enlargement are Mrs. Mimin and Anak Minantu. The reason for taking only these two UMKM actors is to develop food products that are most in demand by the community.

The implementation of KPPM STIE WIKARA targeting UMKM actors in Pondokbungur Village, Pondok Salam District, Purwakarta Regency was attended by 28 students and was carried out for two months, namely from July 1 to August 31, 2024. Then the researcher formulated a problem in community service based on the SWOT analysis of Pondokbungur Village as follows:

Table 2 SWOT Analysis

<p style="text-align: center;"><i>Strength</i></p> <ol style="list-style-type: none"> 1. The majority of the people of Pondokbungur Village are MSME actors, utilizing existing resources to gain profit, 2. The products produced are very suitable to be used as souvenirs from the Pondokbungur area, the price is relatively affordable to buy, 3. The availability of abundant goods and the production time that does not take long allows buyers to be able to buy or order products at any time for small or larger quantities 	<p style="text-align: center;"><i>Weakness</i></p> <ol style="list-style-type: none"> 1. 90% of MSME actors are old and have difficulty adapting to developments in the business world, based on observations made by researchers in the field, 2. MSME actors are less creative in selling their products, 3. 10 out of 100 young people are less interested in entrepreneurship, 4. Usual product packaging (mainstream), distribution networks that are still conventional, and local around Pondokbungur Village, 5. Lack of knowledge on how to digitize products
<p style="text-align: center;"><i>Opportunity</i></p> <p>The potential market for souvenirs and snacks is very large and broad and market access is increasingly varied (offline and online).</p>	<p style="text-align: center;"><i>Threats</i></p> <p>The large number of competitors selling similar foods results in low purchasing power and makes MSMEs less able to reach the market.</p>

SWOT is used to develop appropriate and effective marketing strategies. By understanding the strengths, weaknesses, opportunities, and threats, MSMEs can formulate strategies that utilize maximum potential and overcome the challenges faced. Through the application of SWOT analysis, MSMEs can increase their competitiveness and business sustainability amidst increasingly fierce competition (Sunarya, 2021).

From the SWOT analysis above, it can be seen that the main problem in the development of MSMEs in Pondokbungur Village is "The gap between the capabilities of MSME actors and current market opportunities". Alternative solutions that can be done include:

1. Efforts to upgrade MSMEs by enriching products, developing markets and digital marketing.
2. Efforts to make MSMEs in Pondokbungur Village part of a company that has been working in a more advanced similar product sector.

KPPM STIE WIKARA chose alternative point one as the main work program, with that we carried out the implementation of the work program, namely product enrichment in the form of: (1) flavor variations, (2) packaging improvements, (3) branding, and (4) labeling.

Product enrichment or product enrichment is carried out on cassava chips products, the initial step of change that occurs is by adding new flavor variations such as balado flavor to cassava chips. The next step is to make changes to the product by improving the packaging accompanied by the branding and labeling process. Here is a comparison of Bu Mimin and Anak Minantu's chip business products before and after upgrading.



Figure 1. Product before



Figure 2. Product After

Comparative explanation of MSME products that have been upgraded according to alternative point 1, namely

1. The packaging before in figure 1 is a plain product with no additional branding, logo, and flavor. Then the upgrading that the researcher did was using plastic with adhesive using staples then changed into standing pouch packaging with clip adhesive according to figure 2;
2. There is a label/brand listed on the packaging;
3. There is a composition;
4. There is a contact for the business owner on the product;
5. There is an expiration date on the product;
6. There is a NIB on the product;
7. The packaging can be easily opened and closed again because there is a clip on the packaging.

The difference between the old and new packaging for Bu Mimin and Anak Minantu products has advantages explained in table 3.

Table 3. Differences between old and new packaging	
Plastic	Standing Pouch
Easy to harden because the adhesive is done using staples	The crispiness of the product is guaranteed because the packaging uses a clip
If not finished, it must be stored in an airtight container	Easy to store anywhere without worrying about it being scattered
Difficult to distribute	Ease of distribution because the packaging is not easily damaged
Less attractive to customers	More attractive to customers

Table 4 presents the calculation of the cost of production using the packaging that has been enriched on the cassava products of Mrs. Mimin and Anak Minantu with sales of 80 packages of 100 grams used to determine the profit of cassava chips with new packaging.

Table 4. Calculation of Business Profit for Cassava Chips Products that have been enrichednt

Direct Raw Material Cost (DRMC)			
Raw Materials	Used	Price/Unit	Total Price
Cassava	16 kg	3.000	Rp 48.000
Starch Flour	5 kg	10.000	Rp 50.000
Salt	400 gram	1.500	Rp 3.000
Sugar	400 gram	17.000	Rp 6.800
Flavoring	10 wrap	500	Rp 5.000
Balado Seasoning	8 wrap	500	Rp 4.000
Red Chili	200 gram	60.000	Rp 12.000
Turmeric	100 gram	10.000	Rp 1.000
Cooking Oil	3 Liter	14.000	Rp 42.000
Total Raw Material Cost			Rp 171.800
Direct Labor Cost (BTKL)			
Worker Wages			Rp 50.000
LPG Gas 3kg		Rp 23.000	Rp 8.500
BBM		Rp 10.000	Rp 20.000
Total Direct Labor Cost			Rp 78.500
Factory Overhead Cost (BOP)			
Plastic Pouch	80 pcs	Rp 500	Rp 40.000
Stickers	80 Pcs	Rp 260	Rp 20.800
Total Factory Overhead Cost (BOP)			Rp 60.800
TOTAL PRODUCTION COST			Rp 311.100
Cost of Goods Sold 1 Pcs			Rp 3.888
Profit 40% of COGS			Rp 5.444
Selling Price			Rp 10.000

Table 4 shows that the addition of flavor variants can increase the selling value of cassava chips in the UMKM of mother and son. Therefore, to increase the reach of a wider market, market enlargement has been carried out by establishing relationships with souvenir shop owners and snack shops outside Pondokbungur village, namely in Purwakarta City and opening an e-commerce/online market account at Shopee. The following is the digital marketing process and creation of an E-Commerce account for the UMKM of Son and Son.

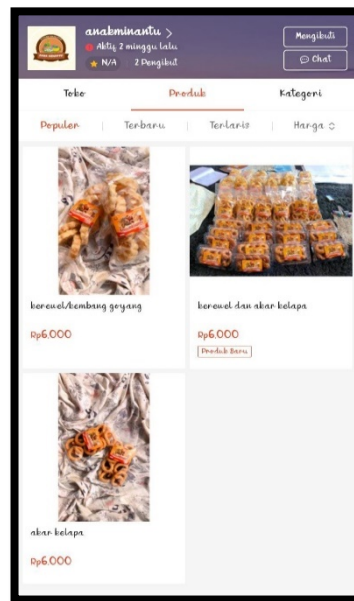


Figure 3. Creating an e-commerce account



Figure 4. Product Network Expansion

On August 11, 2024, the KPPM STIE WIKARA team held a seminar entitled "Implementation of Digital Marketing of MSME Products in Pondokbungur Village" with Mr. Salman Al Farisi as the speaker. This seminar contains information on how the community can promote or distribute their products widely through digital, as well as increase public knowledge about the use of digitalization. Several discussions have been conducted independently with MSME actors Bu Mimin and MSME Anak Minantu. The digitalization seminar involving MSME owners and young people in Pondokbungur Village was held and attended by 30 people.



Figure 5. Implementation of the UMKM Seminar

To ensure certainty for UMKM actors in Pondokbungur village, efforts were made to create UMKM legality. In this activity, registration of nine UMK actor business units was carried out by creating a NIB (Business Identification Number). The following is the legality of one of the UMKM actors, namely Mrs. Mimin in Pondokbungur Village :



Figure 6. NIB of one of the UMKM actors in Pondokbungur village.

Conclusion

Based on the results of community service program activities in Pondokbungur village, Pondok Salam sub-district, Purwakarta district, it can be concluded that the community is happy and follows several programs created by KPPM STIE WIKARA. In addition, this activity is a form of student devotion to the community. Based on the work program report that has been explained in the previous

chapter, this KPPM STIE WIKARA program which has been run as an effort to improve UMKM products in Pondokbungur village with UMKM actors, namely Bu Mimin and UMKM Anak Minantu has been implemented well. Researchers hope that Pondokbungur villagers are aware of the importance of digitalization so that product marketing is wider through e-commerce accounts, and have an identity in business, and with the UMKM seminar that has been implemented, it can increase insight and minimize fraud that might occur when using digitalization.

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