

Business Management Training For The Milk Candy Business Group In Penyaring Village, Sumbawa Regency

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Abstract.

Downstreaming of cattle farming products in the form of milk candy products continues to develop in Penyaring Village, Sumbawa district. This product is a characteristic of Sumbawa which is driving the economy of Penyaring Village. The demand for this product continues to increase all the time, making this product a typical souvenir that is very popular with local and foreign tourists. However, on average the milk candy business group does not have good business management, such as not having an organizational structure, a production system that is still manual, product marketing that is still manual and product quality is not good, making it very difficult to develop. For this reason, it is necessary to empower business groups by carrying out training and business management assistance consisting of organizational management, production management, quality management, and product marketing management to increase the income of the milk candy business group. The Service Team surveyed milk candy business groups, assessing business management training as very useful and helpful in increasing income.

Keywords: Business Management training and Sumbawa Milk Candy Product.

I. INTRODUCTION

Sumbawa, one of the islands in West Nusa Tenggara (NTB) Province, is known as the "livestock warehouse" and has successfully implemented the one million cows program in NTB. In 2020, Sumbawa had the largest livestock population, with a total of 18,263[1]. The development of downstream livestock products, including meat and milk, is actively pursued. This is reinforced by the local government's programs aimed at enhancing human resources and boosting the competitiveness of local products, thereby improving the well-being of the people of Sumbawa Island. It's essential to note that individuals with limited education are predominantly involved in managing small and medium businesses. These segments of society are seen as the most challenging to support in the current era, notably in the ASEAN Economic Community. Empowering society necessitates the ability to excel in various domains, and this is a key component of adapting to the AEC era [2]. One of the sub-districts in Sumbawa Regency with the largest livestock population is North Moyo, which is home to 4,573 of cattle. This village is located 6 km from the city center of Sumbawa Besar. Most of the residents are breeders and entrepreneurs. About 32% of the trading businesses in this village are involved in processing cow's milk into candy. There are 10 trading businesses involved in producing and selling cow's milk candy. Penyaring is the village that produces the largest amount of livestock milk in Sumbawa Regency [3]. Milk Candy is an innovative product specific to Sumbawa, which has a significant impact on the economy of Penyaring Village. This local delicacy benefits from abundant raw materials, making it easily accessible. However, its production still relies on manual equipment and is on a small scale.

The milk candy has gained wide popularity in various areas of Sumbawa and even beyond, becoming a sought-after souvenir for domestic tourists. The demand for this milk candy has been steadily increasing, especially with the hosting of the MXGP international competition in Sumbawa in the last two years (2022-2023) and other promotional activities in the region. This situation has made it necessary for the milk candy business group in Penyaring Village to expand its production capacity. However, entrepreneurs often encounter challenges in meeting consumer demand due to insufficient business management skills.

One of the business groups with which our partners collaborate is UD. Riskika also faces issues in meeting consumer demand due to inadequate business management practices. The results of interviews conducted with the owner of the UD. Riskika shows that this business started in 2000 and is now. The owner's name is Mrs. Siti Aisyah. UD. Riskika uses pure cow's milk as raw material which is obtained directly from cattle breeders in Penyaring Village. The production process is conducted manually, namely using stoves and frying pans. The raw materials available are an average of 16 kg/day with a product yield of 6 kg. Candy is packaged in paper and sold in mica or plastic packaging of ¼ kg, ½ kg, and 1 kg with a price range of Rp. 25,000 – Rp. 150,000. The first problem faced by this business group is that it does not have well-organized business management. Human resource management is not yet structured because the business owner is also a production, packaging, quality control, treasurer, or marketing worker. The workers who help come from family and neighbors around the house.

So, this business group does not have permanent workers. Apart from that, our partner's milk candy business group only makes estimates during the production process, and never plans or controls production, so sometimes the products produced do not meet the target. Ideally, a business must carry out a planning process first, in terms of people, money, machine materials, and methods. The goal is to optimize existing resources so that they are used well and can be profitable. However, our partner's business group has difficulty doing this. This is proven by the absence of a history of recording production results, supplies, or demand. So, this business group is not running well and is having difficulty developing. The second issue is with marketing, which is currently done through direct orders. Distribution is limited to shops near the business and within the city of Sumbawa. Additionally, milk candy is promoted through exhibitions and cultural events. However, these methods are quite restricted. Therefore, it's important to find ways to expand the market using the latest technology[3]. This is expected to lead to increased production and profits. The third issue is production and quality management at UD. Riskika still uses simple equipment and does not use machines in its production process. This often causes production failures and results in low product quality that does not meet industry standards. Based on the survey results, there is a frequent problem with the decreasing quality of pure milk raw materials. This is due to the storage using used aqua bottles and being less hygienic.

As a result, pure milk raw materials sometimes do not last long and spoil quickly, stale raw materials for pure cow's milk experience changes in the taste, color, and texture of the milk, causing it to curdle and making it unsuitable for production. Additionally, the equipment used to cook milk candy is still manual, leading to a longer production time. The printing process is conducted using manual equipment. The freshly cooked milk mixture is placed on a table with a transparent plastic coaster, patterned with a large ruler made of wood, and cut using a knife. Often, the shape and size of printed milk candy is inaccurate and irregular. The standard thickness size used is 2 cm long and 1.5 cm wide. If a product does not meet the company's quality standards, it is considered defective and results in losses [4]. According to the data for 2023, there has been a decrease in production, and the number of defects is quite high, with a total of 10.5 kg of defects over the last 5 months. If the total product selling price is IDR 150,000/kg, the total loss amounts to Rp. 1,575,000. This has caused significant losses for the UD. Riskika. If this situation persists, the milk candy business group will struggle to meet market demand quickly due to the continued use of manual equipment in the production process. To reduce product defects and meet consumer demand, there is a need for developments in business management, marketing, and milk candy production. Based on the conditions described above, this activity aims to improve community welfare, especially the Milk Candy Business Group in Penyaring Village, Sumbawa Regency, which is a program that must be helped to handle. One form of activity that can be carried out is through the Beginner Community Empowerment Program with the title “Business Management Training for the Milk Candy Business Group in Penyaring Village, Sumbawa Regency”.

II. METHODS

On Monday, July 29, 2024, a community service activity occurred at UD Riskika. The participants were employees of UD Riskika, totaling about 5 workers. The activity included a presentation of materials

and practical exercises related to business management and marketing management issues at UD Riskika. The team's first stage involved conducting a survey. This was done by directly communicating with the owner of the milk candy business group to discuss training activities. Afterward, they set up an activity schedule, including the time, tools, and materials needed. Preparation stage: compile materials and tools needed for business management training. Determine the activity schedule for July 29 from 09:30 to 12:00 WITA, establish the number of participants, and create an attendance list. The Implementation Stages consist of activities that are scheduled to ensure that participants (the target audience) can adequately prepare to take part in training activities. Outreach materials include slides, projectors, screens, and banners. The presented material will be concise and interesting, in the form of slides, to facilitate participants' understanding of business management concepts. During the training, the service team will also be available to assist, making it easier for participants or the target audience. The description of the training material is as follows

1. Business Management

- a. Organizational management training: This training aims to provide employees with knowledge about their duties and responsibilities within the organization. It is designed to help business partners and groups develop better organizational management skills.
- b. Training and assistance in production planning and control: This training is intended to provide employees with knowledge about the production planning and control process using POM QM for Windows software. The goal is to help business groups meet consumer demand and optimize their resources.
- c. Quality management training and mentoring: This training aims to provide employees with knowledge about product quality control to reduce product defects that could be detrimental to the milk candy business group.

2. Marketing Management

Training and mentoring for digital marketing. This training aimed to educate employees on digital marketing techniques using Shopee digital media to expand markets and boost profits.

III. RESULT AND DISCUSSION

The community service activities start with coordination between the service team and the partner business group, UD Riskika. The activities include directly engaging with the participants to discuss business management, holding question and answer sessions, and documenting the meetings with residents. The documentation of meeting activities with residents is presented in Figure 1.



Fig 1. Discussion regarding service activity plans with partners

After discussing the issues and requirements of the partners, and establishing the activity schedule, training was conducted with the entire team of lecturers and students. Five employees from UD. Riskika attended the training. Before and after the training, the employees were given a pre-test consisting of questions that served as a formative assessment of the participants' knowledge.



Fig 2. Poster dan Milk Candy UD. Riskika

The training is divided into four parts. The first presentation of material regarding organizational management is about the implementation of Planning, Organizing, Actuating, and Controlling (POAC) in a business. According [5], POAC is implemented in every organization throughout the world to maintain organizational continuity and has the function of increasing the effectiveness and efficiency of an organization in achieving its goals. After participants receive the material, they are then taught to create an organizational structure and job descriptions. As a result of this training, an organizational structure and job descriptions for UD Riskika. The next topic covered in the presentation is production control planning. The material presented includes aggregate planning and the use of POM QM for Windows software. According to [6], one of the functions of aggregate planning is to ensure that sales and production plans align with the company's strategic plan, allowing for necessary adjustments. The main purpose of aggregate planning is to stabilize production and employment in response to fluctuations in demand. After gaining an understanding of the material, participants will then practice short-term planning, focusing on a 6-month timeframe. The results of this practice will determine the best forecasting method and appropriate overtime control planning for the milk candy business group.

The third material presented is quality management. The material presented consists of the importance of maintaining the quality of milk candy products and implementing quality control tools such as check sheets, Pareto Diagrams, and Fishbone Diagrams. Before making a product, it is necessary to carry out periodic checks to find out whether the product has sales value or not. A check sheet is a checking sheet that provides information regarding product non-conformities and is used to assist calculations on the Pareto Diagram. The Pareto diagram is a bar diagram that shows problems originating from a series of events [7]. Meanwhile, the Fishbone Diagram is used to determine the causes of non-conformities in milk candy products. As a result of the practice carried out by the participants, it was found that the most common product defect was the size of the milk candy which did not meet the standards. One of the reasons is because UD. Riskika has not yet implemented automatic printing machines and tools. The fourth presentation is about marketing management, specifically focusing on digital marketing. Digital marketing involves using the internet, social media, and other digital devices for marketing purposes. Its benefits include reaching a wider audience, making marketing more cost-effective, and providing unlimited marketing space and time [8]. During the training, participants practiced creating a Shoppe account and learned how to list milk candy products on the platform.

After presenting all the material, discussions and question-and-answer sessions continued with the participants. One effective method for empowering the community is by providing direct training. The discussions, questions, and answers during the material presentation and training revealed that the participants were engaged and enthusiastic, asking numerous questions. Additionally, all the training outputs were found to be very useful for the participants. This enthusiastic participation was demonstrated by owners, as shown in Figure 3b. The session concluded with a group photo (Figure 3a).



Fig 3. (a) Photo of Team and Employees UD.Riskika; (b) photo of the training activity atmosphere

IV. CONCLUSION

The business management training activity was conducted to address the needs of the milk candy business group in Penyaring village, especially UD. Riskika. The aim was to help the business improve its management practices to meet the growing consumer demand. The business management training aims to increase the understanding and entrepreneurial spirit of the milk candy business group in Penyaring Village. The goal is to increase production capacity, expand the market, and improve the quality of milk candy products. The owner of the business, UD. Riskika, responded positively to the training. She was very enthusiastic, as evidenced by her active engagement through asking many questions and participating in discussions. There is a strong interest and desire to continue implementing these business management practices.

V. ACKNOWLEDGMENTS

The community empowerment implementation team wishes to express gratitude to the Ministry of Education, Culture, Research, and Technology (Kemendikbudristek RI) and the Directorate of Research and Community Service at Sumbawa University of Technology for their support of this initiative.

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